

# DISTRIBUTION AND WAREHOUSING



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## Warehousemen Justify Higher Rates on Refused and Unclaimed Freight

*In Answering Traffic Manager's Protest Against Increased Tariff in  
"Emergency" Situations, Storage Executives Point to Their Losses  
When Auctioned Goods Fail to Reimburse for Monies Advanced  
and for Services Rendered. Set of Maximum Rates Held Impracticable*

By KENT B. STILES

NO article in *Distribution and Warehousing* has created more widespread interest among storage executives and distributors than the one in the May issue setting forth the protest by J. George Mann, traffic manager of Northrup, King & Co., Minneapolis seedsmen, against being charged by a warehouse firm 100 per cent more—for storage and cartage charges on two boxes constituting a railroad's refused freight—than Mr. Mann had in his experience paid in the past when voluntarily placing such boxes in a public warehouse.

Mr. Mann considered his an emergency situation, one beyond his control, and he expressed his opinion that he had in effect been assessed higher rates, by the storage company to which the railroad had turned over the boxes of seeds when refused by the consignees, than the circumstances justified.

As explained in the May issue, Mr. Mann placed the facts before *Distribution and Warehousing* with the thought that it might profitably be called to warehousing's attention and in the hope that the storage industry might see its way clear to arrive at a set of maximum rates for services such as those rendered in the case at point.

Three questions immediately arose, as hereinafter set down. Storage executives have answered them in letters received, and an analysis of their opinions makes it possible to prepare the composite answer which is given after each of the three. The summary:

The first question: Is it general practice for warehousemen to charge more for caring for shipments which reach them under the circumstances described by Mr. Mann?

The answer, as represented by the majority of the storage executives' letters, is "Yes." Not all warehousemen do it, however, by any means. Some foresee the possibility of getting new permanent accounts and accordingly they assess only the normal charges with the hope of developing profitable business later.

The second question: Was the warehouseman justified, in the Mann case, in assessing higher charges?

The answer, based on majority opinion, is "Yes." The general explanation is that the Minneapolis company's boxes were refused freight; that refused and unclaimed freight means extra handling, space occupancy, correspondence, money advanced to railroad, etc., not identified with normal accounts, and often monetary losses when such freight has to be sold for storage charges, and that accordingly the warehouseman is entitled to a higher rate in order to make up for some of the losses. Even by a few of the writers who do not assess higher tariff, the justification of the practice is upheld.

The third question: Is a set of maximum rates, as suggested by Mr. Mann, practicable or possible with relation to services such as those rendered in this particular case?

The answer is almost unanimously "No." The writers

point out that conditions vary too widely to permit it. A few warehousemen take the affirmative and believe that it could be done.

Incidentally a number of the writers expressed appreciation because *Distribution and Warehousing* has turned the light on this subject, which is one unquestionably vexatious to many distributors. With one exception, the warehousemen who brought up the point were of the opinion that good would come out of the discussion.

The one exception believed that giving "undue publicity" to the situation might "create a wrong impression in the minds of users of warehouses as to what the practice of warehouses is."

Quite to the contrary, the present article gives warehousing an opportunity to explain unmistakably, to shippers,

what the storage industry's practice is; the warehousemen's opinions published herewith create the right, rather than the wrong, impression. The storage executives make no effort to conceal their practice. They are frank in making it known—in signed letters. How is it possible for such openness to convey any wrong impression?

The very fact that so many busy executives took the time to write on the subject, some of the letters being several pages in length, is an indication of the industry's desire to want the distributors to know what the general practice is, and why.

Several of the readers consider the situation of sufficient importance for it to be placed on a future convention program.

#### "Outside of Usual Channels"

THE consensus of storage executives is perhaps best expressed by A. T. Gibson, president of the Lawrence Warehouse Co., San Francisco, who, explaining that his experience with this type of business has been unsatisfactory, writes:

"The railroad company makes an agreement with some warehouse company that they will turn over all of their unclaimed freight to the warehouse company, providing the warehouse company will immediately pay all freight charges due thereon. The warehouse company has no opportunity to accept or refuse any particular freight because it may or may not be worth the freight charges. Usually the railroad companies have left the freight on hand in their stations for some time and on railroad storage tariff rates a big storage charge on a per diem basis has accrued. The result of all this is that the average unclaimed freight, in our experience, has not been worth the charges and at the end we have paid out more money than we have taken in, and have discontinued handling business of this kind for any carriers unless we are allowed to select such freight as we will take and inspect it before we take it. As a result of this policy, we haven't any of this business.

"It seems to me that this places the receiving of unclaimed freight in something outside of the usual public warehouse channels. There is a far greater risk of loss in doing business of this kind. There is always correspondence in connection with the handling and sometimes litigation.

"I can quite appreciate that Mr. Mann, looking at it from the standpoint of his company, feels that he has been charged more than he would if he had been able to anticipate this movement and had bargained with various warehouse companies for the lowest possible price. Nevertheless, he must realize that when the warehouse company took this merchandise into storage and paid the railroad company their freight charges they had no assurance that anybody would ever claim it. They also knew that they might have to hold it for a period of months in storage and finally go to the expense of advertising it for a public auction in order to get their charges out of it.

"Another thing must be considered.

A warehouse company can afford to quote lower rates on business that comes in day in and day out for steady customers than it can for a spasmodic storer.

"The whole thing seems to me to simmer down by similar reasoning to compensation insurance. The industry must bear the burden of the cost spread throughout the members; and, likewise,

the cost to the warehouseman of handling unclaimed freight business from the railroad companies is greatly in excess of regular storage business and the financial risks are much greater, and therefore everybody who gets his freight into an unclaimed position has to pay his part toward the cost of handling all unclaimed freight.

"Looking at it from that standpoint, it does not seem to me that Mr. Mann has been grievously overcharged, but of course the rates were high if it were business received in the regular course of events through a regular customer."

#### Practice "Fundamentally Wrong"

BECAUSE the service involved is occasional, and inasmuch as "no particular complaint has heretofore been registered," it is doubtful whether uniform or maximum rates have ever been considered "even if it were practicable to do so," Harry C. Herschman, St. Joseph, Mo., general president of the American Warehousemen's Association, points out, nor is any storage executive or warehousing association "in a position to concede or to deny positively that this unwholesome condition prevails."

Stating "very emphatically that no such practice was ever indulged in" by the firm which he heads, the Terminal Warehouses of St. Joseph, Inc., Mr. Herschman says he "cannot conceive of any representative warehouse deliberately setting up an unjust charge simply because no competitive rates are to be met." He continues:

"It occurs to us that where instances of this kind come up the charges are assessed by someone else than the executive head of the business, because he would undoubtedly be restrained from such action, if for no other reason than a certain knowledge of the bad light in which he would be placed thereby.

"It will be extremely interesting to learn the experience of other national distributors with reference to their dealings with warehouses throughout the United States where 'emergency service' is required. The practice, whether general or not, should be eliminated, not essentially because of its adverse effect on the relationship between warehouseman and shipper, but because it is fundamentally wrong. Whether it is merchandise sold, or services rendered, any amount over a fair return is exor-

#### Next Month:

THE warehousemen were not the only ones who wrote on the subject here under discussion. Several scores of distributors took the trouble to express their opinions. The substance of what they say will appear in the August issue of *Distribution and Warehousing*—and it can be guaranteed that the storage executives will be interested. Here are a few excerpts:

"If this abuse is prevalent, the setting up of maximum rates to correct the evils is a step forward."

"By rendering economical service in unforeseen circumstances warehousemen pave the way for further business."

"Such procedure will react on the warehouse making the charge."

"There should be maximum rates in an emergency of this kind."

"Such a practice, in the final analysis, does more harm to the warehouse than to the shipper."

"Charging higher rates certainly would discourage a shipper from ever placing the warehouse on a preferred list for shipments."

"We have had practically the same experience."

"The circumstances cited are by no means new."

"This situation is general, and is the almost universal practice."

"An outright abuse of the primary function of the warehouse."

"The traffic is charged all that it will bear."

Not all of the shippers write in the same vein, however. A few concede that the handling of unclaimed freight entitles the warehouseman to more remuneration.



## "We Are the Guilty Party"

IT will be noted that in the May article, and in the accompanying one, *Distribution and Warehousing* refrained from identifying the warehouse company which assessed the extra charges on the two boxes of seeds consigned by Northrup, King & Co. It was believed that no good purpose would be served by so doing.

The letters received, discussing the subject, include one from the head of the storage firm in question. In it he says that experience with distributors has taught him "safety first," and he suggests that the Minneapolis seed company file a complaint with the American Warehousemen's Association if it feels there was unfair treatment. The letter follows:

"We will be very much interested in hearing from warehousemen, especially those handling unclaimed freight, in regard to Northrup, King & Company's complaint of being robbed by a warehouseman, as we are the guilty party. It occurs to us that if they feel they have been treated unfairly they should take their complaint up with the American Warehousemen's Association and, if their contentions are correct, we would have to refrain from robbing customers or resign from the association.

"There is no question that rates on unclaimed freight are way beyond what any warehouseman would ask any firm desiring to distribute through his warehouse. Our rates are filed with the Pennsylvania Railroad Company. We take up all unclaimed freight and pay all charges. The law compels us to hold all goods six months before offering them for sale to cover charges. We now find we

have a lot of last year's calendars on hand, advertising matter for a circus that has come and gone, second-hand machinery that you will do well if you can sell for junk, and other stuff that you have to haul away. The storage company not only loses storage space, handling and cartage but money advanced for railroad charges and, occasionally, get a pleasant letter intimating you are holding up a cripple.

"In regard to our insisting on being paid before goods leave the warehouse, we have found that a high credit rating does not mean that a firm will pay for goods on arrival as they had agreed to. For instance, one of the largest mail order houses in the country agreed to pay a bill of \$6 on return of their shipment. We waited four months, writing them repeatedly which they paid no attention to, until we advised them we would place the bill in the hands of an attorney for

collection. This company not only had a high credit rating but also the confidence of the public in them for square dealing.

"In another case, we had a number of bags of feed in storage and were asked by the manufacturer to return same and they would pay all charges. This firm also was well rated but refused the shipment because we asked for payment on arrival. We paid the railroad storage charges and freight.

"Another time we had some lath shipped from California on which we advanced freight and demurrage and held them for six months. In the meantime the market declined and we were glad to sell them for something over \$300 loss.

"Other pleasant experiences such as the above have taught us to play 'Safety First' and if we get stung again it will be our fault."

bitant, unethical, and not in accordance with sound business principles and good judgment.

"Warehouse accounts have been founded on the satisfactory handling of 'emergency service.' If a warehouseman is called on to render this service for a distributor, and for so doing he renders the distributor an invoice for an amount greater than the value received, he has not only earned the enmity of this potential customer—perhaps forever forfeited the remunerative privilege of serving him in future—but this distributor will brand him accordingly in the face of the whole world.

"We do not know how it would be possible to set up an arbitrary maximum rate for storage or cartage in emergency any more than it would be possible to do so in cases other than emergency. We do believe, however, that it is possible for every warehouseman to know what a just charge is for the service he renders, whether emergency or not, and it is easy to render an invoice on that basis.

"This whole matter revolves into a case where the distributor has very little to lose, and where the warehouseman has a great deal. Those requiring distribution and warehousing service will be quick to learn where they may be served honestly and fairly. It is up to the principal of every warehouse in the country to see that this particular phase of his business is justly handled; otherwise he will suffer the greater loss."

### Handling Costs

THOMAS E. WITTERS, Baltimore, who is chairman of the Central Bureau committee of the A. W. A., analyzes the case in hand from the viewpoint of the storage executive who

knows his handling costs. The question as to whether the warehouseman who handled the Mann account was "deliberately unfair" should be carefully considered, writes Mr. Witters, president of the Baltimore Fidelity Warehouse Co., as it is "easy to understand the mental attitude of Mr. Mann when presented with such a bill for the storage and cartage of one or two cases of goods." But, Mr. Witters points out:

"Except for labor, loading and unloading, the cost of handling one package is as great as the cost for moving a quantity which will produce the minimum charge. The standard minimum charge in the city referred to may be 85c.; local conditions fix such minimums. In Baltimore 85c. would be high.

"Relative to the charge of \$1.50 for storage—it is assumed this charge also covers the handling.

"The handling of this one case involved the same operating and clerical machinery which would have been involved in handling a larger lot. The case had to be received, then reported to the record department, then to the accounting department. A warehouse receipt had to be (or should have been) issued, which had to be signed by a responsible representative of the warehouse company, with the incidental checking. Later a bill had to be made and passed through the books of the warehouse company and, when collected, the check had to pass through the machinery of the cashier's office, and the accounting department, and finally deposited in bank. All this in addition to the use of the warehouse floor space, and warehousemen know that one separate case will frequently destroy the use of many times the space it occupies. In some of the outstanding tariffs there is

a provision for a minimum charge per account per month. In some instances this charge is \$1, and we are sure most distributors will agree that this is not unreasonable for the work and facilities involved.

"Now let us summarize:

"The warehouseman is not involved in the freight charges from the place where the shipment was refused to the place where the warehouse was located, except that he probably advanced it, so that can be eliminated.

"The warehouseman may or may not be interested in the drayage, depending on whether he operated trucks or not. Eighty-five cents is high at Baltimore, but we are not in position to say it is not justified elsewhere.

"The storage and handling minimum cannot be found to be unreasonable, if considered in the light of an account billing; and when the amount of work and space involved is taken into consideration, that minimum does not compensate.

"It is, as Mr. Mann calls it, an unfortunate situation, brought about by his customer. I think Mr. Mann will find, however, that most warehousemen will go a long way to help in cases of this kind, but it should also be kept in mind that most warehousemen know the cost of handling refused or unclaimed freight, and generally speaking would rather not handle any of it.

"It is hardly advisable to attempt to set up a schedule of maximum rates. If that should be attempted it would probably have the effect of increasing the low service charges Mr. Mann is now getting in many places."

E. A. Howard Baker, general secretary of the A. W. A. and president of the Kennicott Patterson Warehouse

Corp., Denver, believes the practice is not general, and that Mr. Mann's letter so indicated.

#### "No Such Animal" as Maximum

THE Mann incident is one of "rare occurrence," in the opinion of William I. Ford, president of the Interstate Fireproof Storage & Transfer Co., Dallas, and a past president of the National Furniture Warehousemen's Association, who goes on:

"It is impossible to name a set of maximum rates. There is no such animal. There can be named minimum rates, but maximum rates depend on volume of goods handled, and services in connection therewith, which can never be arrived at in such a way that maximum rates can be named.

"In the case referred to I am unable to check how the charge of \$8.40 was made. There seems to have been 85c. drayage to the warehouse, which is not an exorbitant minimum for the reason that in Dallas we have a 75c. minimum within certain zone, \$1 in the next zone, and \$1.50 in other zones. Those are the minimum charges on shipments regardless of weights, but of course if the weight multiplied by the rate runs more than the minimum, that would fix the given charge.

"When the goods are hauled to the warehouse from the depot the ordinary practice of warehouses is to apply a handling charge. With us the minimum handling charge is 50c. The next step in warehousing, as I understand, would be to apply storage charges. My company has a minimum of \$1.50 storage charge per month. No account can be run through the ordinary bookkeeping detail, counting overhead and other expenses, at less than \$1.50 minimum for the storage service. Apparently this particular shipment remained on hand a number of months to have reached the item of \$8.40. If it had stayed on hand in our warehouse for one month, our charges would have been as follows:

"Drayage to warehouse.....	\$0.75
Handling.....	.50
Storage.....	1.50
Re-delivery to depot.....	.75
Total .....	\$3.50

"There would be just one exception. Had Northrup, King & Co. told that they had already lost on the shipment and were able to allow us only \$1 for the entire service, and said they hoped to remember us in the future with more business, then we would have handled for \$1; or if they had said that they were in bad and wanted us to handle the shipment for nothing, we would have done so. I believe that the members of the American have always stood ready to cooperate with shippers to get them out of a hole, and thereby induce business for themselves and other warehouses."

#### Considers Uniformity Not Possible

ANOTHER past president of the N. F. W. A., E. B. Gould, San Diego, president of the Lyon Van & Storage Co., Inc., agrees that a set of uniform

storage and cartage tariffs could not be effected.

"Certainly in the case mentioned," Mr. Gould continues, "the warehouseman was at fault in making any such exorbitant charges as appear, particularly \$1.50 per month for a 100-lb. box, which would ordinarily store for about 3c. or 4c.; and in the case of a minimum charge assessed, the maximum that we have heard of is 75c.

"We are wondering whether the warehouse mentioned does not come under the observation and rule of the Federal Trade Commission and if it could be shown that this warehouse charged some other customer less than the rate charged this one, the Federal Trade Commission might take action. In California, we have, or the public has, protection against such overcharges as indicated in the article. The Railroad Commission governs the commercial warehouses, and a rate once filed is the rate definitely and you are subject to a large fine in case any other rate is used."

#### "Increase Entirely Justified"

WILLIAM E. HAGUE, president of Merchandise Storage Co., Columbus, points out that "almost without exception the question of charges for unclaimed and refused freight is a matter of contract" between carrier and warehouse, and that "the prices quoted by the warehouse to the carrier for this service is invariably much higher than the rates that would be quoted to the owner of the merchandise when handled direct." Mr. Hague continues:

"This increase in charges is entirely justified. A few of the reasons are:

"Under a public warehouse agreement with the railroad, the warehouse is obligated to take any and all freight offered it by the railroad regardless of its sale value or how much charges there may be on it. In other words it is by no means an unusual thing for the railroad to offer and expect the warehouse to accept a piece of rough granite, for example, with an auction sale value of forty or fifty cents, with several dollars charges which must be paid by the carrier; then there must be added not only the interest for carrying these charges but the expense and trouble of handling and storage, insurance, reports, records and other items of detail that are required, and all the while the warehouse has no assurance whatever that the merchandise will ever be claimed."

The Columbus company handles unclaimed freight in carloads only, but Mr. Hague was formerly for years associated with a transportation firm which had a contract with carriers, and he comments:

"Our own experience was that between 30 or 40 per cent of the merchandise which went to railroad storage, went out by the auction sales route at a tremendous loss to the warehouse company; therefore you can see that while it may have been a slight hardship on Mr. Mann's company, the warehouse company must work on averages that will insure a reasonable profit, on the

contract as a whole and not on each individual item.

"I believe that with the average railroad contract, considering the immense detail involved, and the space utilized (as every lot must be kept separate and accessible), the net earnings accruing to the warehouse company are little if any more than that obtained in the regular course of their storage operation. . . .

"In conclusion permit me to say I believe Mr. Mann will find little sympathy extended from warehousemen in general or from the railroads themselves, many of whom are now handling unclaimed l.c.l. shipments, and in many cases their daily charges, when quoted on that basis, are more than the average warehouse company would ask for the same item for thirty days. There are two sides to the story. Mr. Mann seems to see but one."

#### Handling Such Freight a Side Line

WILSON V. LITTLE, Chicago, executive secretary of the A. W. A.'s merchandise division, has carefully analyzed Mr. Mann's situation as the latter outlined it, and concludes that the practice mentioned is not general if for no other reason that "handling and storage of refused and unclaimed freight is a side line to the usual public merchandise warehouse business—a side line that is engaged in by probably not more than 15 per cent of the warehouse companies in this country," partly because many carriers handle it themselves with their own facilities.

"Therefore it must be understood at the outset (and, judging from Mr. Mann's letters, it is so understood by him)," Mr. Little continues, "that his complaint has nothing to do with the usual warehouse business—namely, current maintenance and distribution of stocks for manufacturers and others.

"In the opening paragraph of the article appearing in your May, 1929, issue the question is asked: 'Has the warehouse company the moral right in this emergency to charge the manufacturer 100 per cent more, for storage and cartage charges, than experience has shown that the shipper would have to pay for storage and cartage on the same goods had they voluntarily been placed in the warehouse by the shipper?' The article goes on to say that 'This in effect is the interesting point brought up by the traffic department of Northrup, King & Co.' As I intimate above, from my reading of Mr. Mann's letters, I do not understand that to be the point he is concerned with at all. Mr. Mann is not complaining that he is paying more for services connected with refused or unclaimed freight shipments than for services regularly and 'voluntarily' contracted for. Mr. Mann's complaint is that one warehouseman handling and storing refused and unclaimed freight has charged him on two refused shipments more than what he says he has been, and would be, charged on identical shipments by other warehousemen who likewise engage in the business of han-

dling and storing refused and unclaimed freight.

"To answer the first question in your letter of April 30, 'Do you believe that the situation outlined by Mr. Mann is general in warehousing?' Bearing in mind that the situation outlined by Mr. Mann relates only to the business of handling and storing refused and unclaimed freight for carriers and that this business is done by probably no more than 15 per cent of the warehouse companies, it is evident that the situation is not 'general in warehousing' and has no concern probably with 85 per cent of the warehouses.

"If you mean, 'Is the situation outlined by Mr. Mann general among warehouses that handle refused and unclaimed freight for carriers?' Mr. Mann himself answers that. He says that it is not general when he states that the charge of the complained-of warehouse company 'is over 100 per cent greater than *more or less uniform rates* which other warehouse companies throughout the country have long recognized as being sufficiently remunerative for this type of service and handling. We say 'uniform' only because our experience at hundreds of other points has shown this statement to be true."

"I must confess, however, that Mr. Mann appears a little inconsistent, for in his letter to you, in referring to doing business 'with some seventy-five to one hundred other warehouse companies through such instances as this,' he states: 'Such a uniformity is not to be found. Where we find ourselves with a box on hand because of some unforeseen circumstances and where we have not had previous opportunity to solicit quotations and rates on our business, we find that the warehouse companies are inclined to take advantage of the situation. In some instances they are quite reasonable in their charges and in others they bill for all the traffic will bear, and in a few isolated cases, such as this, they exceed all bounds of reasonableness.'

"Whether or not there is any inconsistency in these statements of Mr. Mann, he certainly wants it understood that the complained-of situation is a very exceptional one and, in his judgment, not 'general.'

"Your second question is, 'If you believe that it is general practice to assess extra charges against a shipment in the emergency described, what ought warehousing to do to eliminate it?' This question is unfortunately worded and apparently does not take into consideration that the storage and handling of refused and unclaimed freight for carriers is a specialized business engaged in by a comparatively few warehousemen as a sideline.

"If you ask me, 'Ought rates for the handling and storage of refused and unclaimed freight to be higher per package than rates for the usual handling and storage services currently performed for regular customers in the ordinary course of business?', my answer is unquestionably 'Yes.' I think that Mr. Mann concedes that.

"I do not think that it is necessary

to go into detail to show how the handling and storing of small refused or unclaimed shipments for a great many different shippers or consignees, in most cases unknown to the warehousemen, entails cost factors which are not a part of the public merchandise warehousing business as regularly conducted. The effort that a warehouseman engaging in this line of business must go to make proper delivery of the shipment; endless, and not always satisfactory, correspondence with the carrier, consignee, and the shipper about the shipment; the assumption of all of the carrier's freight and storage charges connected with the shipment; the extra handling and storage expense necessary in stowing these small isolated, heterogeneous shipments; frequent inability to effect delivery, necessitating finally the expense of holding a public sale that usually results in a loss—these are some of the phases of handling and storing refused and unclaimed freight that make it an expensive proceeding for all concerned.

"If a warehouseman who handles and stores refused and unclaimed freight for carriers has a basis of charge for this line of business in excess of his basis of charge for the maintenance and distribution of stocks for regular customers, it is not because he is seeking to take advantage of a shipper or a consignee in what you call an 'emergency.' His basis of charge in connection with the handling and storing of refused and unclaimed freight must be greater if he is to be at all reimbursed for the excessive costs in connection with that business.

"Your third question is, 'Would it be possible to eliminate it ("extra charges") by setting up maximum rates uniformly as suggested by Mr. Mann?' Probably what you have in mind is, 'Should warehousemen who engage in the business of handling and storing refused and unclaimed freight for carriers get together and establish maximum rates for the services they perform in connection with this business?' I answer this by asking another question: 'How can this legally be done?'

"As a matter of general information, the public merchandise warehousing industry would welcome the opinion of Mr. Mann and other national distributors who regularly utilize public merchandise warehouses in their various consuming markets, as to whether or not an effort on the part of the merchandise warehousing industry to standardize rates for services regularly rendered, in addition to services in connection with refused and unclaimed freight, would have their approval.

"The warehousing industry as an industry is not yet in a position to assume responsibility for the rates that those engaged in it may charge, whether these rates be considered excessive by the public or are known by the warehouseman to be too low. The warehousing industry is no more in a position to do this than is the seed industry in a position to tell Mr. Mann's firm the prices at which it shall market its seed."

### Publicity Tends Toward Standardization

COMMENDING *Distribution and Warehousing's* action in giving the Mann case publicity (as suggested by the Minneapolis traffic manager), Elmer Erickson, general vice-president of the A. W. A. and vice-president of the Midland Warehouse & Transfer Co., Chicago, believes that the publicity "will tend to bring out a standardization of practice, which is just what the national association is endeavoring to accomplish." Mr. Erickson comments:

"It would be a help for national distributors as well as our industry to have a uniform practice for the handling of unclaimed freight with a minimum and maximum set of rates.

"On receipt of unclaimed shipments the storage company should send a notice to the consignee and to the consignor on the date the shipment is received outlining freight charges which they have advanced, cartage charges, handling and storage charges, and re-shipping charges if the shipment is reshipped, and request that check covering charges should accompany the order disposing of the shipment. The shipper in this case objects to the storage company holding the shipment for payment, but we know from experience that the storage company is justified in doing this even though the shipper is a nationally known distributor and has a credit rating beyond question."

Mr. Erickson compares the charges made by the warehouseman in the Mann case with the maximum ones prevailing in his own market, as follows:

	In the Mann Case	Chicago
Freight .....	\$1.00	\$1.00
Cartage inbound .....	.85	.75
Handling and storage, 1 mo. ....	1.50	1.00
Cartage outbound .....	.85	.75
Total .....	\$4.20	\$3.50

"In smaller centers," he adds, "I think the maximum would be about the same as in Chicago with the exception of cartage, and the minimum charge is generally 50c., which would reduce the total in smaller centers to \$3 for each shipment."

### Some Other Comparisons

IF the Central Warehouse Co., St. Paul, had been handling a shipment under the same conditions, according to H. H. Manthei, the secretary, the charges would have accumulated as follows:

	Cents
Cartage, freight house to warehouse, minimum .....	.25
Minimum handling .....	.25
Minimum storage for one month .....	.25
Rebiling .....	.15
(There would be no charge to freight station, as the company loads trap cars.)	
Total .....	.90

It is quite the usual thing for a minimum charge to be made, according to S. M. Haslett, president of the Haslett Warehouse Co., San Francisco, and in that city "the minimum storage is \$1 per month on any individual lot; the minimum labor charge is 25c.; the usual minimum drayage charge is 50c.,"



and "whether the 85c. charge" (in the Mann instance) "is excessive depends on circumstances under which the service was rendered." Mr. Haslett points out:

"The transaction referred to does not seem to be an 'emergency' storage but regular storage of merchandise unclaimed by consignee and stored by the transportation company—a frequent and usual transaction. The storage of such 'unclaimed' freight is always done at greater expense to the warehousemen than the storage of regular lots of merchandise, and in my opinion properly pays higher rates. Frequently this storage arises from differences between the transportation company and the consignee or consignor of the merchandise, and the warehousemen at times are drawn into these discussions to the extent of requiring additional correspondence. Sometimes the merchandise is left in the hands of the warehouseman and eventually has to be sold by him for charges, and many lots do not bring sufficient to reimburse the warehouseman's charges, including freight advanced, if any. Therefore I think it quite proper that the warehouseman should receive more for the storage of such unclaimed freight than he does for the storage of regular merchandise."

#### *Suggest Agreement with Railroads*

PERHAPS Mr. Mann's redress would be to have the seedsmen's association "come to some agreement with the railroads," suggests Paul W. Frenzel, vice-president of the St. Paul Terminal Warehouse Co.

"While the seed people cannot control the warehouse to which the carriers will entrust their rejected shipments," Mr. Frenzel writes, "they can control the routing of their goods. . . . Then, again, there is really no way to compel people to regard the Golden Rule as a principle to follow and not just a motto to set up on the wall."

"Our charges on a similar occurrence would be a minimum handling and storage charge of \$1 and drayage to and from the depot, 50c. each way, making a total of \$2. There would be no profit to us in such a case. The freight must be paid, an account opened on the books for a casual customer, warehouse receipts, bills, and statements forwarded to the shipper, and the transaction would be handled in the light of an accommodation. The warehouseman in the case cited evidently wanted to show some profit for handling business which is out of his routine—hence the increase above his regular charge."

#### *\$2.50 and 50c*

NOT "an emergency case," but one of unclaimed freight, comments H. H. Hardy, general manager of the Fireproof Storage Co., Lansing, who writes that recently he paid a railroad \$2.50 accumulated charges on a bag of animal food, and when the consignee would not accept the shipment, and the shipper himself was not interested, the bag was sold at auction and brought 50 cents—"thus

causing a financial loss as well as the cartage, storage and handling charge."

The warehouseman handling this class of business must figure his charges according to costs, Mr. Hardy points out, and "it would not seem that it has any relation to the regular storage business." He goes on to cite the many difficulties, as mentioned by other warehousemen, and declares the charges made in the Mann case "are reasonable and just." He concludes:

"I am of the opinion that a maximum and minimum charge could be set which would enable the shipper to know exactly what the charges would be at most any point."

#### *Freight and Labor Rates Cannot Be Averaged*

SHIPPERS, producers and manufacturers have uniform prices for their products and so would like to have public warehousing costs uniform, Jay Weil, vice-president of the Douglas Public Service Corp., New Orleans, suggests, adding:

"The public warehouseman thoroughly understands and appreciates the situation, but he has no opportunity of averaging his freight rates or his labor rates as the manufacturer has. In other words, the warehouseman is on the receiving end and has not the same ability to regulate or average as the manufacturer has."

"I agree with Mr. Mann's contention that distressed shipments should not be penalized. On the other hand, I do not think it feasible to set up minimum or maximum rates for the entire country because there are too many different cost factors and physical factors involved."

Mr. Weil comments that a minimum charge of \$1 per bill and a minimum drayage of 50c., while "perfectly O.K." in the South where labor rates are low, would not suffice in the North and East, where both clerical and manual labor command higher wages.

#### *"No Moral Right"*

IN the opinion of A. H. Millward, president of Wakem & McLaughlin, Inc., Chicago, the warehouseman has "no business or moral right to charge 100 per cent more just because the storer was not a regular customer," and he does "not consider the warehouseman justified in making such excessive charge." He urges warehousemen to become affiliated with the A. W. A. and follow out that organization's practices, which, he points out, are guided by the standard terms and conditions indorsed by the Department of Commerce. He adds:

"I do not believe the practice in question is general. If such is the case, then it should be eliminated and a maximum rate be established by the warehouseman, taking into consideration the cost of labor, storage and any expense incurred and also the value of the merchandise."

#### *An Octopus*

CHARACTERIZING the handling of unclaimed freight as the "octopus of our business," Edwin Morton, treasurer

of the Baltimore & Ohio Stores, Inc., New York, writes that his firm killed the octopus because insurance inspectors, visiting the premises, threatened to advance rates.

"When they saw the space in which we handled unclaimed freight they made objection to our handling this class of stuff, claiming much of it was hazardous and extra-hazardous and might not be stored with us without a very material advance in the insurance rate, which, of course, we would not stand in justice to our voluntary customers. . . ."

"The compilation of a tariff to cover every description of unclaimed freight would be a vast undertaking and the printing of it expensive. Conditions must be determined by each lot. We did in most cases charge twice the regular storage and handling rates, with a minimum of 25c. on a lot for storage and 50c. for the handling, but this did not let us out even."

#### *Not Wise to Establish Maximum*

IT would not be "wise practice to set up maximum rates, uniformly," in the opinion of D. R. Crottsley, vice-president of the Lehigh Warehouse & Transportation Co., Newark, N. J., because "the situation in various cities is considerably different," and maximum rates might have a tendency, unless they were quite high, to have public warehouses refuse to accept unclaimed freight. . . . Each railroad should have the warehousemen's quotations, usually by the per 100 pounds, on file so that there would not be any controversy with the shipper on delivery of goods."

#### *Further Comments by Warehousemen*

SPACE does not permit publication, in full, of all the letters received. In general the opinions coincide with those expressed in the foregoing. The following excerpts may be set down as pertinent to the situation:

"We have a minimum charge of 75c handling, 75c storage and 75c cartage on all shipments turned over to us by the various railroads as unclaimed. Some railroads insist on payment of freight on shipments and we feel this charge is reasonable. . . . I think it was poor judgment by the warehouse [in the Mann case] in not extending credit to the concern in question."—Clarence A. Ullman, president Federal Warehouse Co., Peoria, Ill.

"We have a minimum charge of \$1, and where there was only one box of seed involved the warehouseman would be in his rights in charging the \$1 minimum, and at the same time it would seem unusually high to Mr. Mann, who would possibly be paying only 10c or 15c per month to a warehouseman who might be handling several hundred boxes. . . . The warehouseman cannot profitably open an account for less than \$1."—Roy Binyon, president Binyon-O'Keefe Fireproof Storage Co., Fort Worth, Tex.

"From the warehouseman's standpoint it must be remembered that in most cases the refused shipment placed in his build-

ing would mean a new account, which in most cases would not be continued as a permanent customer. To open such an account is expensive, both from the warehouseman's standpoint and that of the customer, who pays minimum charges. A uniform rate for this service, which is clearly understood by users of warehouse service, perhaps would settle the difficulty."—*L. D. Owen, vice-president Westland Warehouses, Inc., Los Angeles.*

"Should a shipment arrive in any Texas warehouse, no matter from what source, either returned to us by railroad or steamship line on account of being refused or unclaimed, there would be no premium put upon the lot, but a fair minimum, such as would be justified at any time, which in our case is \$1.50 storage, with proper handling charges applied thereto. It is impossible for any warehouseman to carry an account for a less amount of money than this."—*E. D. Balsom, president Dallas Transfer & Terminal Warehouse Co., Dallas.*

"Your idea of setting up maximum rates is not a bad one, although you would have to take into consideration the fact that labor and storage conditions vary in the different parts of the country. In the South, with low labor costs and cheaper land values, more attractive rates could naturally be offered than in some of the big northern cities."—*E. G. Mooney, president Hartford Despatch & Warehouse Co., Hartford, Conn.*

"Railroad storage should pay penalty rates because this class of storage requires immediate work by the warehouse, often it being necessary to hire extra help. There is also the risk that the goods may be abandoned and consequently sold for storage charges, and the sales usually do not realize enough to pay the charges. A maximum charge might be a fair way of caring for this class of storage, and a schedule of rates might be made up similar to goods stored for general order. The general order rates were compiled by a committee composed of representatives of the Merchants' Association, warehousemen and the Custom House. In inland cities a committee of members of a chamber of commerce or board of trade, the warehousemen and the railroad might make up a maximum rate to be applied on railroad storage."—*H. E. S. Wilson, president Campbell Stores, Hoboken, N. J.*

#### Warehousemen "Too Lax"

"Such a condition is not general. To the contrary, warehousemen are too lax in maintaining charges on small shipments. . . . I would not approve of maximum rates being established. Past experience has demonstrated that national distributors attempt to tell the warehouseman the rates they should be charged, which are not always commensurate with the services they require."—*Russell E. Hillier, Hillier Storage Co., Springfield, Ill.*

"It was our experience the compensation received for storing such shipments was slight. As a consequence we

discontinued handling the so-called distress freight."—*W. B. McKinney, Merchants' Warehouse Co., Philadelphia.*

"It is the practice in this State to make a higher charge for handling unclaimed freight turned over to the warehouse by any railroad. This is justified by the extra work it requires to locate and correspond with shipper in order to get disposition of the goods."—*O. C. Taylor, president Taylor-Edwards Warehouse & Transfer Co., Seattle.*

"Warehousemen should not make exorbitant charges in these cases. At the same time it is necessary to make a minimum charge. We have just picked up a shipment of greases, 460 lbs., for manufacturer unknown to us. We had to draw a check for \$11.78 to cover freight charges and bring to warehouse, for which we made a minimum charge of 75c, which we do consider excessive when considering that we have advanced our funds for shipper's account. We assessed a minimum handling in and out of 50c, and a minimum storage charge of 50c."—*H. C. Avery, general manager Union Terminal Warehouse Co., Jacksonville.*

"I do not consider that the warehouse company made an unfair charge or took an unfair advantage. . . . But it creates ill-will to make a profitable charge on such services as were no doubt rendered in this case, and it costs too much to attempt to defend such charges as compared with the possible benefit to be derived. My idea would be to make a regular quantity rate, take the loss involved and thereby gain an advertisement, which would make the loss back many times over."—*Earl W. Jones, vice-president United Warehouse Co., Wichita, Kan.*

"The charges must be higher on this class of business but at the same time the rates for cartage ought not to be higher than the ordinary rates. . . . It seems to me that his [Mr. Mann's] protest should be made to the railroad and not to the warehouse industry, as it is up to the railroad to protect him by arranging the rate of compensation to be paid for service and if extortion is used the railroad ought to be the first one to protect the shipper. I cannot see how a railroad could continue to give a warehouse charging excessive rates their over and short business or their uncalled-for-goods business."—*G. J. Hansen, president Hansen Storage Co., Milwaukee.*

"On similar shipments our rates are a minimum of 50c. per shipment cartage from depot, 50c. per shipment cartage to depot and 50c. per month storage. . . . Mr. Mann's case can be handled very easily by him if he will take the matter up with the railroad and ask for redress."—*S. V. P. Quackenbush, president Quackenbush Warehouse Co., Scranton, Pa.*

"At Baltimore the charge by the various railroad warehouses for similar shipments would be minimum 50c. storage charge, which includes the labor expense, per package, with a minimum transfer charge of 25c. per package."

*James C. Brown, manager Camden Warehouse, Baltimore.*

"I do not believe the practice is general in warehousing. It is our custom to help out in every reasonable business way 'when the ox is in the ditch.'"—*R. B. Young, president Savannah Bonded Warehouse & Transfer Co., Savannah.*

"The problem presented is no doubt an isolated instance and is not practised by reliable warehouses. There is no reason why a warehouse should penalize a customer in an emergency transaction of this kind and I think the charge rendered by the warehouse for the services, as explained by Mr. Mann, is exorbitant and unreasonable."—*S. J. Beauchamp, president Terminal Warehouse Co., Little Rock, Ark.*

#### Small and Large Alike

"Warehousemen who expect to increase volume must depend on new business and the friends they make in handling small shipments. It is our policy to handle small shipments on the same basis that we handle large ones, as we hope through good service and the right prices to assist the manufacturer in increasing his volume in our district. We cannot conceive of a warehouse putting a premium on emergency business. . . . The warehouse which handled this shipment apparently has a satisfactory volume of business and is not trying to enlarge volume."—*Carl F. Wittichen, president Wittichen Transfer & Warehouse Co., Birmingham, Ala.*

"Railway unclaimed freight takes much more space and attention than same quantity of goods received direct from a customer. . . . The overhead is probably from four to ten times as great."—*C. C. Stetson, president Fidelity Storage & Transfer Co., St. Paul.*

"When a warehouse contracts with a railroad to take care of its unclaimed freight the warehouse is obliged to take all of the freight offered and pay the charges on it to the railroad at once, and in many cases the merchandise is not of sufficient value to meet the freight charges."—*Sidney A. Smith, manager Lee Terminal & Warehouse Corp., Tampa, Fla.*

"In fairness to the shippers and also to show that the warehouse industry is anxious to correct any unwarranted or unfair practices, this subject should be placed on the program at the next meetings of the associations for discussion, with the object, if possible, of adopting a standard method of charging for the service which would be fair both to shippers and warehouses."—*James D. Dunn, president Riverside Storage & Cartage Co., Detroit.*

"The principle as displayed by this warehouseman is very much the same as we used to have in the days gone by, with the old-time high-jacking three-ball loan sharks, and the idea that is carried out in this transaction is very remote from the present-day principles in warehousing."—*U. O. Bryan, president Bryan Southwest Transfer & Storage Co., Wichita, Kan.*

(Concluded on page 46)

# Canadian Warehousemen Inaugurate Movement to Standardize Negotiable Warehouse Receipt

*Would Have Document Parallel the One in Use in the United States—Dominion Association Elects Alexander Fleming, Montreal, President—Other Convention High Lights*

By KENT B. STILES

**A** DECISION to approach the Dominion Government and the Canadian Bankers' Association with a plan for standardizing throughout Canada the negotiable form of warehouse receipt, along the line of the uniform document in the United States, was reached by the Canadian Storage & Transfermen's Association at its eleventh annual convention, held at the Hotel Saskatchewan, Regina, on June 13 and 14.

The association's secretary, E. A. Quigley, Vancouver, was authorized, in a resolution unanimously adopted, to assemble all the various warehouse receipt forms now in use among the members, with a view to preparation of a standard document which might be indorsed by the Dominion Government and the bankers after having been approved by the warehouse fraternity itself.

The aim would be to make the Canadian receipt parallel, to the extent possible, the uniform receipt which has been standardized in the United States through the co-operative efforts of the American Warehousemen's Association, U. S. Department of Commerce, American Bankers' Association, American Railway Association, National Distributors' Association and other business interests.

Should the Canadians' plan mature, merchandise warehousing in the two countries will be using virtually

the same form of negotiable receipt in commercial relations with distributors and bankers.

The resolution, which was proposed by Elmer Johnston, Vancouver, reads:

"A suggestion, which we believe to be constructive and timely, has been made from the floor of this convention to the effect that an effort should be made by the Canadian Storage & Transfermen's Association to standardize the negotiable warehouse receipt, through contact with the Canadian Bankers' Association and the Dominion Governments, such receipt to parallel the uniform receipt which has been approved in the United States [by the organizations already mentioned].

"Accordingly, we recommend that the newly-elected president appoint a committee to work with the secretary in assembling the many varied forms of the negotiable receipt now being used by our members, with a view to preparing something uniform which could be indorsed by the Dominion Government and the Canadian Bankers' Association after having been approved by our own members.

In working out such uniformity, consideration should be given to the standard negotiable receipt of the American Warehousemen's Association, to the end that the Canadian receipt as approved should be as nearly as possible like it, taking into account special conditions which prevail in Canada.

**A**LEXANDER FLEMING, who is president of the Canadian organization's Montreal branch, was elected the national body's chief executive for the coming year. Mr. Fleming is general manager of the National Terminals of Canada, Ltd., Montreal. Other officers and directors were chosen as follows:

Merchandise division vice-president, C. A. Richardson, vice-president of Howell Warehouses, Ltd., Toronto.

Furniture division vice-president, George H. McKeag, president of the Security Storage & Warehouse Co., Ltd., Winnipeg.

Cartage division vice-president, Elmer Johnston, president of the Johnston Storage Co., Ltd., Vancouver.

Cold storage division vice-president, George S. Peacock, secretary of the Regina Cold Storage & Forwarding Co., Ltd., Regina.

Treasurer, J. O. MacCallum, manager of the Saskatoon Cartage & Warehouse Co., Saskatoon.

Directors: for Alberta, R. V. MacCosham, president of the MacCosham Storage & Distributing Co., Ltd., Ed-

monton, and E. O. Wallace, manager of the Pacific Cartage Co., Ltd., Calgary; for British Columbia, W. Skilling, of the Victoria Baggage Co., Victoria, and W. Dalton, secretary of the Vancouver Warehouse, Ltd., Vancouver; for Manitoba, Hugh Mackenzie, president of the Winnipeg Storage, Ltd., Winnipeg, and E. W. Ray, manager of Leslie's Fireproof Storage, Winnipeg; for Ontario, A. G. Fournier, president of L. G. Fournier, Ltd., Ottawa, and Frank Kennedy, president of the Canadian Rail & Harbour Terminals, Ltd., Toronto; for Quebec, William McGlashan, operating executive of the Morgan Trust Co., Montreal, and J. E. Bedard, manager of the St. Lawrence Warehousing Co., Montreal; and for Saskatoon, H. A. Knight, president of the Regina Cartage Co., Ltd., Regina, and L. D. Peterkin, of the Saskatoon Cartage & Warehouse Co., Saskatoon.

The resolutions committee—E. O. Wallace, Calgary; Fred Crone, Vancouver, and R. V. MacCosham, Edmonton, served a notice that at the 1930 convention a resolution would be introduced

to alter the by-laws to provide that thereafter each of the six Provinces should be represented by one director. Mr. Crone explained for the committee that the present system, providing for two directors from each Province, had made the board unwieldy.

The retiring president, George H. Chadwick, Winnipeg, said there had been great progress in warehousing during the year, with expansion necessary both East and West. He deplored poor service and rate cutting by firms outside the association, and hoped that as time went on those concerns would be induced to join. He stressed Canada's future greatness to result from development of western mining, which he declared would bring greater riches than agriculture at present.

Mr. Chadwick paid a tribute to the industry's association activity in the United States and cited it as an example of what the Canadians could do.

A letter of regret, at being unable to attend, was read from Harry C. Herschman, St. Joseph, Mo., general president



of the American Warehousemen's Association.

Mr. Chadwick emphasized the value of the services of Chester B. Carruth, Chicago, as statistician of the merchandise division of the A. W. A., and called attention to the work being done by *Distribution and Warehousing*.

Mr. Carruth outlined what is being accomplished by the merchandise and cold storage divisions of the A. W. A. He said that in the United States there was a movement in progress to place cold storage warehousing under the supervision of the Federal Trade Commission.

Regarding the proposed standardization, in the United States, of rates of depreciation on warehouse buildings, equipment, etc., Mr. Carruth announced that warehousing had filed its figures with the Government and that the Treasury Department would pass them on to the income tax officials, and that the figures would not be considered as standard necessarily but as informative for the use of the officials.

The question of standardizing the negotiable form of warehouse receipt in Canada was then discussed, with results as already outlined. Various speakers, including President Chadwick, Mr. Carruth and Mr. Wallace, indorsed the idea.

George Rooke, of the Regina Board of Trade, addressed a noon luncheon, discussing ethics and business. Previously the delegates had been welcomed to Regina by Deputy Mayor F. G. England.

The merchandise session was presided over by Mr. Fleming, who reviewed the warehousing situation in Montreal and presented reports, regarding Montreal conditions, on behalf of F. Webber and Alex. Ferguson, of that city.

The report of Mr. Quigley as the associations general secretary reviewed the year's activities. He said negotiations were still pending regarding extension, to Canada, of the Allied Van Lines, Inc., of the National Furniture Warehousemen's Association.

With regard to a plan, presented at the Montreal convention a year ago, for the compiling of warehousing occupancy and tonnage statistics in Canada, in the way that it is being done in the United States, Mr. Quigley said he had been advised by H. R. Coats of the Dominion Bureau of Statistics, Ottawa, that only cold storage warehousing figures were at present being assembled in Canada, Mr. Quigley added that the gathering of merchandise warehousing figures would take considerable time and effort and that those of non-member companies would be essential to completing a picture of true conditions in the Dominion.

Mr. Quigley's report showed a total active membership of 67 firms, with 60 associate members in the United States.

"Extra Charges Required from Warehouses and Charges That Should Be Made Thereof," was discussed by Mr. Peacock, who said that hand-to-mouth buying had caused a revolution in distribution, resulting in increased services being demanded of warehousemen. The warehouseman must meet this situation by readjusting his tariffs to compensate

himself commensurately, Mr. Peacock declared, and to bring this about he should make an intensive study of his business and effect simplification of his office forms and routine."

Mr. Carruth addressed the convention on the subject of "Risky Business." In conclusion he emphasized these points:

"1. A warehouseman is a custodian and is answerable morally and legally for the discharge of his trust.

"2. Every time he accepts the custodianship of property he assumes a fin-

### Alexander Fleming



Montreal warehouse executive  
elected president of the Canadian  
Storage and Transfermen's Association

ancial risk against loss or damage, and the measure of that risk is the market value of the goods.

"3. Where goods are of extraordinary value, the financial risk assumes is correspondingly extraordinary unless the warehouseman and storer mutually agree, at the time the goods are stored, that there shall be a limit of liability for value.

"4. It is a well recognized principle in other lines of activity involving custodianship that when the custodian is compelled to assume extraordinary financial risk he is as fully entitled to be paid for doing so as for the performance of a physical service. Warehousemen generally should recognize this principle.

"We hope that warehousemen will establish a plan which limits liability for value and which charges for excess value, and that they will sedulously apply it. It is not sufficient that the plan be merely printed as part of a set of terms and conditions. It should be specifically brought to the attention of the storer when the quotation is made. The warehouseman should have in his files written evidence that he has done so, for only then can he be reasonably sure that the limitation will hold in case of litigation.

"If a storer requires a warehouseman to assume financial risk for the full value of goods that are of extraordinary value, he should be willing to pay something for the assumption of the extraordinary risk. We believe that the warehouseman should experience little difficulty in convincing the storer as to the fairness and reasonableness of the proposition."

In a paper on "Fundamentals," Mr. MacCosham discussed warehousemen's charges as a factor in influencing shippers' accounts.

"The manufacturer who is considering placing some spot stocks at a certain distributing point," Mr. MacCosham said in part, "either needs storage or he doesn't. If he needs it, he expects to pay what that particular class of accommodation is reasonably worth. The matter of a few cents per ton more or less on the cost of storage service is not going to be a deciding factor. But if somebody starts to talk low price rather than suitability of premises and efficiency of service, he will then 'shop around' on a price basis.

"It is as easy to get cartage and storage business at rates that show a reasonable profit as at unprofitable rates—that is, if we would only bring ourselves to think so and then have the courage of our own convictions."

A. K. Murray, New York, business manager of *Distribution and Warehousing*, suggested that the printed annual report of the convention proceedings could be utilized to advantage by distributing it among prospective members. Mr. Fleming agreed with the idea and announced that it would be done.

At the opening of the furniture division's session, over which George H. McKeag presided, Fred Crone discussed "Selling Service." He emphasized the necessity of courteous treatment of prospective customers, particularly by warehouse employees answering telephone calls, and talked of various mediums of advertising, including billboards, street cars, telephone directories, newspapers and direct mail. He declared the vans' sides to be the most profitable billboards, and indorsed the street car medium as one certain to make an impression on the public. Local newspaper advertising had increased his business 25 per cent, but it was because he had carried it on insistently and backed it up with service.

Mr. McKeag said his firm was now spending \$10,000 a year in local newspaper advertising and that business had increased 23 per cent since Jan. 1; the "copy" stressed the company's service.

Following a talk by A. G. Fournier, Ottawa, on long distance hauling conditions in Ontario, Charles G. McKeag read a paper on the N. F. W. A.'s Allied Van Lines, sent by Henry Reimers, Chicago, AVLInc.'s general manager.

Mr. Reimers reviewed in detail the development and activities of the intercity hauling agency, and explained the duties of the hauling and non-hauling agents. He added:

"Canadian members are welcome to

register their loads with any of our most convenient registration offices when they have loads for delivery in the United States. We shall be glad to endeavor to obtain return loads to Canada for such vans registered.

"As the A. V. L. is strictly an association undertaking, we want our Canadian members to enjoy any benefits they can possibly derive therefrom. All registration offices have been advised to get return loads for vans coming from Canada on the regular commission basis applying to the agents of the company in the United States.

"During nine months of operation ending April 30 the agents of the A. V. L. did a gross business of \$724,000, representing 4877 long distance loads. During the coming year we expect to do a gross business of a million and a half.

"So you see this is a movement of some real consequence. The company is now by far the largest long distance removals organization in the world, with 150 Allied vans and a background of 1000 more that can be used in long distance service."

Long distance moving was coming in Canada and coming fast, George H. McKeag declared, adding:

"There's no use of our trying to keep out of it. We've got to get into it. It's what the public wants. And we've got to know our costs in order to meet the competition. We should benefit by the experience of the Allied Van Lines."

Elmer Johnston presided at the cartage division's session and read a paper on "Truck Maintenance," which he characterized as "a worrisome problem." In part he said:

"If you were just starting to operate a fleet and your requirements made it possible to standardize on one make, added convenience and less loss of time would result—provided you were fortunate enough to select a make that did not go out of existence. In the use of assembled trucks you have a wider selection and more sources of supply to make replacements than is possible by using units which are made exclusively right down to all minor parts, as in the case of trucks built by some of the larger manufacturers whose parts are specifically built for the different units that carry their names and are not interchangeable with other makes."

In computing truck transportation cost, Mr. Johnston pointed out there are "six headings under which the accountant figures variable charges"—

1. Depreciation (not including tires). 2. Drivers' wages. 3. Gasoline. 4. Oil and grease. 5. Tires. 6. Maintenance (which includes repairs and overhauling).

Speaking of depreciation, he said:

"This item, when first we operated trucks, was based and figured according to the age of the unit—that is, whether it would be a useless unit after four years, six years or eight years or whatever term we figured we could make it live and operate profitably without interruption by breakdowns.

"This has rapidly changed and today in my opinion depreciation should be

figured on a mileage basis, as after all there are so many ton-miles in every unit and its life depends entirely on how quickly you extract this mileage from the unit. This eliminates figuring by the calendar entirely in determining the life of a motor truck.

"Wages are determined according to each individual operation.

"Gasoline consumption is similar; also oil, grease and tires.

"Maintenance, which includes repairs and overhauling, is the most difficult and greatest factor which the accountant has to face."

Mr. Johnston presented some actual figures for maintenance, during 1928, on a fleet of thirty-six trucks not standardized—14 Federals, 5 Bethlehems, 5 Doans, 2 Pierce-Arrows, 2 Ford Tractors, and 1 each of Mack, Packard, G. M. C., Garford, Reo, Thornycroft, Godfredson and Leyland. The total maintenance cost of these units, with the Johnston company operating its own garage, was \$20,288.73, divided as follows:

Labor at actual cost.....	\$7,612.71
Parts purchased.....	7,587.11
Parts used from stock.....	552.59
Garage superintendent, rent, paint, power, light, iron bolts, including all body work, both new and rebuilding; also tank cradles	4,536.32
	<u>\$20,288.73</u>

Reduced to "per day per unit" figures, this works out as \$1.79; and this is included, with other operating expenses, in the following table:

Maintenance.....	\$1.79
Gasoline consumption.....	1.19
Oil consumption.....	.20
Licenses (Provincial, municipal, civic).....	.26
Insurance.....	.14
Total.....	<u>\$3.58</u>

Of the thirty-six units, seven averaged approximately 140 miles a day, and made the following per-day showing:

Total maintenance.....	\$4.23
Licenses and insurance.....	.40
	<u>\$4.63</u>

This reduced the other twenty-nine units to the following:

Total maintenance.....	\$2.74
Licenses and insurance.....	.40
	<u>\$3.14</u>

"This maintenance, it is true," Mr. Johnston concluded, "absorbs considerable service which should really be charged to capital expenditure in the way of bodies, tank cradles, cabs, etc., which, due to our method of accounting, are charged up to maintenance and charged against our annual earnings as an expense against operation. This included also approximately \$1,200 for tires which were practically new at the end of the year.

"All units were regularly and systematically greased and oil renewed and completely inspected from motor to rear end, all worn parts being replaced with new ones. There were seven motor overhauls, including replacement of blocks, pistons, etc.; six rear end jobs, including worms and gears; four trans-

mission jobs, which included practically full new gears in transmission; and seventeen paint jobs and all blacksmith work incidental to bodies, etc.

"Now, to arrive at the total cost per unit, all that we had to do was to divide our overhead by the number of units operated and add to the foregoing costs.

"You will notice that the maintenance cost of seven of these units was \$4.63 per day per unit, against \$3.14 per day per unit for the other twenty-nine, while their mileage was four times as great as that of the twenty-nine. The majority of the cost was increased by fuel consumption, due somewhat to the fact that they were new units and we did not work out the maintenance on a mileage basis, such as we are endeavoring to do this year. Depreciation is naturally four times as great on the seven units; or in other words the life of these units should be just one-fourth of what the other units will be.

"If operators hope to be successful it is necessary to work from the mileage standpoint and, when purchasing motor equipment, to determine the ton-miles that the unit will deliver, the ton-mile cost of maintenance, and depreciate it on this basis. Also determine what it should earn from this standpoint.

"When you have this information before you, you are armed with a powerful argument in supporting your charges, and in many cases this information is necessary to assist your competitor or in convincing him of the necessity of certain schedules."

Among the resolutions adopted was one proffering the association's condolences to the family of a deceased member, T. Armstrong, of Toronto.

Two companies were elected to membership—the Quebec Harbour Commissioners, Quebec, and the Northern Distributing & Warehousing Co., Saskatoon.

J. A. Verner represented the Saskatoon firm at the convention.

At the annual banquet, held on the night of the 14th, the newly-chosen president, Alexander Fleming, was the toastmaster. The speakers included the Rev. H. R. Nobles, president of the Regina Rotary Club; the association's retiring president, George H. Chadwick; Mr. Carruth and Mr. Murray representing warehousing in the United States; and George H. McKeag, Elmer Johnston and Mrs. George H. Chadwick.

Discussion during the business sessions revealed that the warehousemen of Edmonton had not found it possible to organize an enduring local association, owing to certain competitive conditions involving transfer of railway freight. A resolution was offered that two authorized representatives of the national association visit Edmonton in an effort to straighten the situation, but this was defeated. Opponents believed that the Edmonton executives could best settle their own controversies without "outside" advice.

# DISTRIBUTION

## Its Economic Relation to Public Warehousing

### Number 52

#### The Simplified Calendar—Thirteen Months in a Year —Is Upon Us in Distribution

By H. A. HARING

THE calendar now in use is known as the Gregorian calendar, named for the Pope, who established it in the year 1582. The Gregorian calendar was for the purpose of correcting errors, in the length of the year, which had been accumulating for seventeen centuries. Although the error was only 0.008 of one day per year, yet this 11 minutes per year had mounted to a total of 10 days—enough to make the seasons considerably off “their calendar dates.”

In order to correct the error Pope Gregory ordered the world to drop the ten days between Oct. 5 and 15 of that year. He also adopted the Leap Year, which gave an additional day each fourth year and thus “picked up” the accumulation of errors under the Gregorian system. (In order further to correct the error the Leap Year itself is omitted each four-hundredth year and we have no Leap Year in the year 1600, 2000, 2400, etc.)

All Catholic countries adopted the Gregorian calendar at once, but England followed history by refusing to acknowledge the right of the Pope to do anything “temporal.” Hence England and her colonies throughout the world held to the former calendar. In this refusal they persisted for 170 years, until 1752, by which time the error had accumulated to eleven days. It was corrected by omitting the days of Sept. 3-13, by having the 14th follow Sept. 2.

#### The “Reform” Movement

THIS Gregorian calendar has been a perpetual advantage to all mankind. Had it not been adopted, we should, at the present time, be 14 days, or about half a month, off the sun’s schedule for each season.

For some ten years movements to reform the calendar have been much in the air, but it is to be remembered that all such proposals thus to reform the calendar do not, in any way, affect the Gregorian calendar. It is correct. It is perfect for showing the sequence of the seasons. All the so-called “reforms” relate only to equalizing the lengths of the months. None wishes to alter the

For many years, both in England and in America, dates were designed as “New Style” and “Old Style” (abbreviated N.S. and O.S.), this custom being continued for about two generations. Today in New England, Virginia, and most of the other eastern States, headstones in cemeteries and cornerstones on Colonial churches will carry two dates for an event, or will designate the date either as “N.S.” or “O.S.” We now celebrate Feb. 22 as Washington’s Birthday (he was born before 1752, when England changed the calendar), having overlooked the fact that the day he was born, when he was born, was called Feb. 12.

The Gregorian calendar is now used throughout the civilized world. As a matter of fact the Greek and Orthodox churches and all Russia were compelled to change to this calendar during the World War, when their daily negotiations with the Allies made impossible the remembering of two dates, the error having, by that time, accumulated to fourteen days.

Even China uses the Gregorian calendar for legal and Governmental purposes, and for business with foreigners, although the common people follow the Moon calendar in that country, as in some other unprogressive lands.

IN this article Mr. Haring gives a list of seventy-five manufacturing firms—many of which distribute their goods through public warehouses—which have adopted, for internal accounting, the 13-months’ calendar which a committee of the League of Nations is studying. It is known that scores of other firms are planning to place the system in effect next Jan. 1.

Any movement which thus progresses deserves the consideration of thinking men in all industries, and this article gives the background.

length of the year, which is fixed beyond human control by the planetary system.

For business purposes, however, the movement has spread, over most of the world, for some correction which would give us months of equal length and which would place all holidays each on a given day of the week, either Saturday or Monday. A month of even length becomes, under all proposals, 28 days. A year on this basis contains thirteen months rather than twelve, and, inasmuch as 13 times 28 makes but 364, the solar year has one troublesome “day left over,” in addition to the recurrent extra one of Leap Year, as will be later explained.



# DISTRIBUTION

## Its Economic Relation to Public Warehousing

Nearly all civilized countries, including our own, have set up committees on calendar simplification, the aggregate of these committees working together under the League of Nations in the effort to find some plan which will satisfy the business interests of all the world.

### Defects of Present Calendar

A COMMITTEE of the League of Nations, after three years of study, reported three fundamental, and, as it terms them, "undisputed," defects of the present calendar. These are summarized as follows:

1. Inequality in the Length of the Divisions of the Year.

The divisions of the year—months, quarters and half years—are now of unequal length. The months contain from 28 to 31 days. The number of days in the quarters are, in order, 90 (which becomes 91 in Leap Years), 91, 92 and 92. The first half-year therefore contains two or three days less than the second.

2. Want of Fixity in the Calendar.

The calendar is not fixed. It changes each year. The year, in fact, consists of 52 weeks plus one or two days. In consequence—

a. The dates of periodical events can never be fixed with precision.

b. The position of the weeks in the quarters varies each year; that is to say, the weeks overlap the divisions of the year in a different way each year, and complications accordingly arise in the reckoning of accounts, statistics, etc.

c. The fifteenth and thirtieth days of the month are very important dates for many purposes, such as payment of rents, wages, etc. When these days fall on Sunday the corresponding payments must either be postponed or advanced.

d. Finally—and this is perhaps the greatest drawback from a business standpoint—as the various days of the week are not of the same value as regards volume of trade, and as the years and the months do not from year to year include the same number of individual week days, there can be no genuine statistical comparison between one year and another, either by months or quarters or half-years.

3. Special Disadvantages of the Non-Fixity of Easter.

The date of Easter may vary from March 22 to April 25, i.e., over a period of 35 days, and this non-fixity involves a corresponding displacement of many other movable feasts. Numerous disadvantages result, both from a business and from a religious point of view.

All these disadvantages have taken on new significance for business reasons, chief of which is that all business is today obliged to analyze costs and sales more searchingly than before. The first

stumbling block to a cost analysis is that the holidays play havoc with volume of sales and cost per unit either to manufacture or to sell. Every cost statement carries a foot-note with some such wording as: "Last year the month had five pay days"; "Last year the Fourth fell on Friday and we were closed Saturday too"; "Last year sales were heavy, because the month had five Saturdays."

### Many Plans for Reform

TO the League of Nations 185 plans were presented for reforming the business calendar. All aimed to eliminate these defects.

The plan that seems to have most advantages has come to be known as the "International Fixed Calendar," devised originally by Moses B. Cotsworth of the Northeastern Railway in England, where it was his constant duty to explain to the management increases and decreases in the company's earnings from month to month. In this work Mr. Cotsworth found great difficulty in making adjustments for the irregular number of days in the month, it being in England especially true that a variation in the number of week-ends in the month had a great effect in railway earnings.

The International calendar consists of 13 months, standardized in an arrangement as follows:

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

Each month of the year would always be exactly as shown above. A thirteenth month would be inserted between June and July, because at that time of the year the change would cause least confusion with respect to the seasons and make the least displacement of familiar dates.

The 365th day would have no week-day name but would be denominated as "Yearday" and would be inserted between Saturday, Dec. 28, and Sunday, Jan. 1.

In like manner, in Leap Year the additional day, called "Leapday," would be placed between Saturday, the last June, and Sunday, the first day of July.

It is purposed to name the thirteenth month "Sol," which is the Latin word for "Sun," as befitting the mid-summer season.

### Difficulties Involved in a Change

ANY change in the calendar will cause inconvenience and confusion compared with which the confusion of "day-light saving" time is a mere nothing. The calendar confusion will be greatest

during the first years of adoption, and, probably, would disappear in about one generation.

There would be difficulty in making comparisons between the months of the new calendar and the corresponding months of the old. "Adjustment tables" would be used for conversion of any date to its new one. The legal date for maturity of leases, contracts, mortgages, interest and coupon payments, and the like, would probably have to be overcome by legislative action.

Tables would also be required for converting all 12-payment transactions into 13-payment agreements.

Comparisons of all sorts during the first years during which the calendar is changed would be upset. It might be necessary, for instance, to compare the eighth month of the new year with both the seventh and eighth of the old. As the years pass by, however, this inconvenience would disappear. And, in general, the difficulties and confusions of the first two or three years would be greatest.

Proponents of the International calendar have suggested the year 1933 as a convenient time to put it into effect. That year is not a Leap Year. On January first of that year, the year, month, week, day and hour all begin together. That year begins on Sunday and ends on a Sunday.

### A Hope Rather Than a Probability

DESPITE seven years of publicity and the support of hundreds of well-known names, the movement for calendar reform makes slow progress. It arouses no enthusiasm. However desirable it may be from a business standpoint, every practical man knows that custom and prejudice will forestall adoption.

"Sixty years ago," says one business executive who uses the 13-months period in his own accounting, "Congress voted that the metric system should be the legal system of weights and measures for this country. It never has and never will be. Even the Government itself does not use it for anything. I believe it will be the same with reforming the calendar; the people will ignore any law of the sort."

States another, who is a member of the National Committee on Simplification of the calendar:

"The conversion tables of dates are too complicated. To an accountant or a business man, they may be simple, but to common people who do not have glass tops to their desks the confusion of the first five years would be so terrible that the plan would not last into the second month. People lay too much importance on favorite dates to accept the change—I mean such days as birthdays, deaths, anniversaries."

# DISTRIBUTION

## Its Economic Relation to Public Warehousing

To a sound thinker, accordingly, calendar reform looks more like a hope than a probability. At the present time it is a theory, supported by many able leaders and having the formal indorsement of such organizations as the National Academy of Sciences, the American Bankers Association and the National Association of Cost Accountants. Many of the Departments at Washington also have approved. Yet, were Congress or any State's legislature to threaten enactment of the "reform," protests would rise to high heaven so loud that votes would be wanting.

Calendar reform is not a measure of such direct benefits that any portion of the people would fight for adoption, and, therefore, the storm of protests would bury the movement.

### Yet Users Are Already Numerous

THIS condition does not alter the fact that the 13-months year is already upon us and growing with each year. Accountants have been using it for nearly ten years, occasionally two or three times that time, and manufacturer after manufacturer in this country has adopted the method for all internal accounting.

They conduct their cost accounting on this basis. Wages are paid on the 13-months schedule; production is controlled; even distribution is subject to the same plan. Only last year such a prominent patron of warehouses as Kotex put out inquiries to warehousemen asking if they would adjust their billings to a 13-months basis in order to conform to Kotex's internal bookkeeping.

For their interior accounting and management many concerns have long since adopted the 13-months. Notable of these, for length of use, are:

Western Clock Co.	36 years
Philip H. Foerderer, Inc.	28 years
United Press Association	21 years
Crocker-McElwain Co.	14 years
Graton & Knight Co.	10 years
Loew's, Inc.	10 years
Rome Brass & Copper Co.	10 years

Among the business concerns employing the 13-month or the 13-periods-to-the-year system are the following:

Atlantic and Pacific Tea Co.
American Agriculturalist, New York
American Sales Book Co., Elmira, N. Y.
C. S. Axtell Co., Springfield, Mass.
Barrington Associates, New York
The B-G Sandwich Shops, Inc., Chicago
J. H. Bordeaux Co., Springfield, Mass.
C. F. Braun & Co., Alhambra, Calif.
L. L. Brown Paper Co., Adams, Mass.
F. N. Burt Co., Ltd., Buffalo, N. Y.
Carew Mfg. Co., South Hadley Falls, Mass.
Carr, Ryder & Adams Co., Dubuque, Iowa
Carter's Ink Co., Boston
Cellucotton Products Co., Neenah, Wis.
Champion International Co., Lawrence, Mass.
Chemical Paper Mfg. Co., Holyoke, Mass.
C. F. Church Mfg. Co., Williamansett, Mass.
C. G. Conn, Elkhardt, Ind.
Crocker-McElwain Chemical Paper Mfg. Co., Holyoke, Mass.
L. A. Cressett Co., North Abington, Mass.
Day-Craft, Inc., Springfield, Mass.

R. J. Dorn Co., Inc., New Orleans
Eastern Mfg. Co., Boston
Eastman Kodak Co., Rochester
Fiberloid Corp., Springfield, Mass.
Irving Fisher, New Haven, Conn.
Florence Casket Co., Florence, Mass.
Forbes Lithographing Mfg. Co., Boston
Philip H. Foerderer, Inc., Philadelphia
Fuller Brush Co., Hartford, Conn.
Graton & Knight Mfg. Co., Worcester, Mass.
The Hearst Publications
Hickok Mfg. Co., Rochester
International Textbook Co., Scranton, Pa.
Jewel Tea Co., Chicago
Joseph & Feiss Co., Cleveland
Kendall Mills, Walpole, Mass.
Kotex Co., Chicago
Leffingwell, Ream & Co., New York
Liberty Paper Co., New York
Loew's, Inc., New York
Ludlow Associates, Indian Orchard, Mass.
Lukens Steel Co., Coatesville, Pa.
McCallum Hosiery Co., Northampton, Mass.
Maytag Co., Newton, Mass.
Mercury Mills, Inc., Hamilton, Ont.
Motion Picture News Co., New York
National Equipment Co., Springfield, Mass.
Newton Paper Co., Holyoke, Mass.
Pawtucket Hosiery Co., Pawtucket, Mass.
Pennmans, Ltd., Paris, Ont.
Pooley Cabinet Co., Philadelphia
Rochester Packing Co., Rochester
Rome Brass & Copper Co., Rome, N. Y.
Root Co., Bristol, Conn.
Sanimetal Products Co., Cleveland
Sauquoit Silk Mfg. Co., Philadelphia
Scott Paper Co., Chester, Pa.
Scott's Laundry Co., Springfield, Mass.
Selden Worsted Co., Methuen, Mass.
Simmons Saw & Steel Co., Fitchburg, Mass.
John P. Smith Co., Rochester
Southworth Co., Mittleneague, Mass.
Springfield Glazed Paper Co., West Springfield, Mass.
Standard Electric Time Co., Springfield, Mass.
Tasty Baking Co., Philadelphia
United Mfg. Co., New York
United Mfg. Co., Springfield, Mass.
United Press Association, New York
Universal Boring Machine Co., Hudson, Mass.
Upson Co., Lockport, N. Y.
Watsontown Door & Sash Co., Watsontown, Pa.
Weber Knapp Co., Jamestown, N. Y.
Western Clock Co., LaSalle, Ill.
Wieboldt & Co., Chicago

### Experience of Users

AT a conference of financial executives conducted by the American Management Association in April, 1928, the entire session was devoted to the matter of calendar simplification for business purposes. The experiences of those who spoke are interesting.

Speaking for the Western Clock Co., L. J. Stewart, its comptroller, stated:

"Since 1892 the 13-period calendar has been used by the Western Clock Co. Although the surrounding industries were, and still are, operating on a semi-monthly and monthly basis, the Western Clock Co. chose at that early period to operate on a four-week basis, and has done so continuously ever since. In our production, sales, costs, budgeting, time keeping, etc., the 13-months' method of accounting has proved invaluable over and over again.

"The 28-day month allows for flexibility in accounting. Each month is made up of exactly four weeks, and, holidays excepted, the total number of days never varies. Each month is constant, uniform and invariable. Our 13-month calendar is used for all internal records, from the purchase of raw mate-

rials to the disposal of the finished product.

"In the preparation of cost statistics and budget statements we know that any variations in the expense comparisons from month to month, barring holidays, are due to departmental internal management rather than to variations in the calendar. We know this absolutely and positively. We do not have to spend one moment thinking about variations in the calendar. There are plenty of 'ifs' and 'buts' in general accounting, without adding to them a multitude of calendar variations.

"Our payroll is closed out each two weeks, the office and factory payrolls alternating. During the month of April, for example, the factory employees were paid on the Saturdays of April 14 and 28, whereas the office employees were paid on the Saturdays of the 7th and 21st.

"Our 13-months calendar is disregarded in certain phases of our work. This is true in our credit department, sales department and accounts payable department. The internal records of these departments are closed on the four-weeks or 13-months basis, as with other departments, but the sending out, collecting of accounts and paying of invoices is done at irregular intervals during the month. Statements are sent to our customers upon shipment of the goods, and, inasmuch as our terms are thirty days, the 13-months calendar is disregarded in this matter. Nor would the 13-months arrangement affect the payment of our own bills, because we take advantage of cash discounts and pay our bills at irregular periods. Special arrangement with concerns from whom we buy is not necessary, because we pay our bills according to the terms of sale and book everything upon receipt of the goods."

At the same conference the chief statistician of the Fuller Brush Co., Philip W. Smith, told of the experience of that firm:

"The Fuller Brush Co. operates on a direct-to-consumer basis, each representative working a calendar week and putting to the factory an order to cover the business which he has booked up to Saturday night. The order is sent to one of our various warehouses, and is shipped from there as soon as it is received, usually on a Monday or Tuesday. Therefore, the salesman's figures show his sales for the week ending each Saturday, but the distributing station does not make up its records until Tuesday night in order to give it opportunity to ship the orders covered by the salesman's work during the previous week.

"Working on this basis, our company found that the ordinary 12-months calendar was decidedly unsatisfactory, for





# The Legality of Notifications Printed on Warehouse Documents

## *Eighteenth of a Series of Legal Articles*

By LEO T. PARKER,  
*Attorney-at-Law*

GENERALLY speaking, a printed statement or notice on a contract, warehouse receipt, bill head, bill of lading, order form, or letter head is not effective if the printed statement is contradictory to another portion of the contract. Moreover, it has been held that a stipulation, printed in small or inconspicuous type, is not effective unless it is referred to in the body of the contract, or directed to the attention of the other party.

Also it is important to know that the same law applies alike to contracts by correspondence and various other kinds of written agreements. This is true because a valid contract may be completed by a series of letters or telegrams passing between two or more persons.

An illustration of the established law, with respect to the validity of printed notifications on letter heads, is supplied by the leading case of *Lyons v. Cusimano*, 108 So. 414. Here it was disclosed that an employer sent his employee to interview a prospective customer and arrange the details of a business transaction. The employee verbally agreed with the customer regarding the services to be rendered by his employer, who wrote the customer a letter acknowledging the assumed obliga-

tions. Printed in small type at the bottom of the letter was the following notification:

"It is understood that there are no conditions, representations, or warranties, verbal or otherwise, and that . . . no agent or representative has authority to modify the terms of this contract."

Legal controversy developed when the employer refused to fulfill the promises made to the customer by the employee.

In the ensuing litigation the employer contended that the printed notification protected him against unauthorized promises made by his employee. However, the Court held the notification ineffective saying:

"The paragraph, in the letter declaring that there were no conditions, representations, or warranties, verbal or otherwise, was printed in very small type, and was not likely to be read. . . . When a written stipulation in a contract made on a printed form conflicts with a general printed stipulation, the written stipulation, having been made subsequent to and with more particularity than the printed stipulation, must prevail over it."

### *When Printed Notice Is Valid*

ON the other hand, a statement printed conspicuously on a letter head or contract not contradicted by the pen-written or typewritten terms is valid and enforceable particularly if, immediately after reading a letter of confirmation or acceptance of an offer, the addressee is given ample opportunity to complain of the conditions of the printed notice.

For example, in *Charles V. McAdams v. Isaac N. Julian*, 155 N. E. 526, it was shown that in a series of letters and telegrams a buyer agreed to purchase a quantity of merchandise. In the confirmation of the contract, or acceptance of the order, sent to the buyer by the seller, a dispensation clause appeared, as follows:

"The seller shall not be responsible for failure to ship according to the terms and conditions of this contract, where such failure is caused by any fires, strikes, labor difficulties, failure of carriers to furnish facilities or acts of carriers. . . ."

This contract contained also the following clause:

"If this contract is not in accordance with your understanding, we must be advised immediately. Failure to do so is understood as acceptance."

Both of the foregoing clauses were printed in large type and located so that the buyer must have observed them by the application of ordinary care when reading the letter.

Soon afterward the seller's mill burned and it was unable to fulfill the contract. The buyer sued to recover damages, on the ground that he was not bound by the terms of the printed notification. However, it is interesting to observe that the Court held the seller not liable, stating its reasons in the following language:

"The 'dispensation clause' must therefore be interpreted in the light of these conditions, and so interpreted it must be held that, in the event of a fire . . . the seller was thereby relieved from its contract . . . Where it appears that the seller is a manufacturer and not a broker, and the contract of sale contains a dispensation clause excusing the seller from performances in cases of fires, strikes, etc., or any other casualty

against which there is a dispensation, without his fault, it will excuse further performance."

### *Printed Notifications in Signed Contracts*

STILL another interesting point of the law is that under certain circumstances an uncontradicted printed notification in a signed contract is ineffective.

For example, in a late case (246 Pac. 332) a seller had printed in inconspicuous type on his order forms the following notification:

"Any claim on the delivery of the goods not in accordance with the terms of the contract will not constitute cause for cancellation unless the complaint is made within 15 days' time of the delivery of the goods."

*This order was signed by the purchaser.*

Several days after the 15 days of limitation specified on the order had expired, the buyer wrote to the seller explaining that the merchandise did not comply with the samples, and refused to pay for them.

The seller then sued the purchaser.

However, as it was proved that the delivered merchandise did not equal the samples, this Court held the purchaser not bound by the printed notice, saying:

"It only remains to be considered whether the printed conditions appearing in the upper left hand corner of the order, which refers to the time within which the objection is to be made to the quality of the goods, formed a part of the contract. . . . The rule seems to be well established that printed conditions on letters or bills of lading or order blanks which are not specially referred to or called to the attention of the other party to the contract, will not be regarded as a part thereof."

In another quite recently decided case the Court explained the law on this subject, as follows:

"This rule is applied with great liberality where it appears that the printed matter is in obscure type or placed where it would not be liable to be seen or where the printed matter was evidently not intended to be incorporated in the contract. In such cases the printed matter has been accorded little influence in changing the clear and explicit language of a contract. When the printed matter is not evidently intended to be incorporated in the contract and the understanding of the parties is doubtful, it is to be determined, as similar issues are determined, as an interest of fact in the light of the surrounding circumstances. . . ."

Therefore, where a letter or other contract is written on a sheet containing a notice printed in small type in an obscure location, it is practically certain that the Courts will hold such a notification void and of no effect, unless it is proved that the purchaser's attention was directed to the notice.

Conversely, it is established that a notification printed in large and conspicuous type is valid and enforceable, particularly if the party being sued signed the receipt, and nothing typewritten or pen-written in the body of the contract contradicts the printed notification.

For illustration, in a leading case (120 N. E. 619) it was shown that a receipt contained, adjacent the signatures, a notification printed in large type, as follows:

"Conditions on which the above receipt is given" (following were listed the conditions)

In this case the Court promptly held the notification effective, saying:

"In the present case the printed clauses are to the left of the signature where they are printed in clear type larger than the type which caption plainly reads: 'Conditions on which the above order is given.' The printed clauses are at least as plain and as prominently displayed upon the face of the receipt as the written matter contained therein. Therefore, this printed notification was binding on both parties."

#### Valid and Invalid Provisions

THE law is well established that where parts of a contract are printed, typewritten, and pen-written, the pen-writ-

ten parts prevail over the printed and typewritten portions; and the typewritten parts supersede the printed portions.

In a leading case (86 S. E. 671) where this point of the law was involved, the Court said:

"There is a well established rule that where, as in the use of printed forms, a contract is partly printed and partly written, the writing will prevail if there is conflict between the printing and the writing. And the same is true where the contract is partly printed and partly typewritten. The written or typewritten part will prevail. . . ."

Therefore it is a sound and well settled rule of the law that in arriving at a proper interpretation of a written contract the Court examines the whole instrument with a view of ascertaining and carrying into effect the purpose and object the parties had in view when the agreement was signed.

Moreover the Courts never presume that parties intended to insert in their contract a written provision wholly incompatible and irreconcilable with printed portions.

It is likewise a well settled rule that as to instruments which are partly printed and partly typewritten, the typewritten part shall have the greater weight, because obviously greater attention has been bestowed by the parties on the typewritten part of the contract.

For instance, in 223 Fed. 704, the United States Circuit Court of Appeal, in commenting on this point of the law, quoted:

"It scarcely needs the citation of authority to support the well established rule that the printed portions of a contract, when repugnant, must be subordinated to those which are written, and that the latter are presumed, from the circumstances of their special and deliberate insertion by the parties, to embrace the real intent and meaning."

#### Legal Effect of Custom

SOMETIMES an established trade custom has considerable bearing on the validity of a notification printed on a contract, receipt or letter head. In fact, as all contracts are construed by the Courts in view of ascertaining the original intentions of the parties at the time the contract was made, it has been held that, where a printed notification coincides with a well known custom generally recognized by the trade, such a notification is binding on the parties, although neither party directed the attention of the other to it.

Also, where it is shown to the satisfaction of the Court that a printed notification was recognized and adhered to by the contracting parties in prior dealings, it may be valid and held to be a part of the contract in controversy.

For example, in a leading case (142 S. W. 1107) the litigation involved a contract for the sale of coal. In this case a purchaser sent a written order to a seller. Upon receiving the order the seller wrote the purchaser, as follows:

"We are in receipt of your orders. . . . We will see to it that good coal

is furnished you and prompt shipment made of it."

In the left-hand corner of the letter head, on which the letter was written, appeared the following printed notification:

"All orders and contracts subject to car supply, strikes, accidents and causes beyond our control."

The seller was able to deliver only a portion of the order, because a railroad confiscated all the coal loaded into its cars.

The purchaser sued the seller, alleging a breach of contract. However, the Court held the printed notice on the letter head a part of the contract, because both the trade custom and prior dealings between the parties had taken the printed notifications into consideration, and it was mutually understood that the order was accepted on the conditions printed on the letter head.

#### Non-Accepted Offer Is Not Binding Contract

OBVIOUSLY a valid contract cannot exist unless an offer made by one party is unconditionally accepted by the other. This is true irrespective of printed notifications on the sheet containing the offer.

For illustration, in a recent case (110 N. E. 619) it was shown that a party who desired to purchase certain merchandise, to be delivered on a specified date, sent his order to the owner of the goods. On the sheet containing the order and date for delivery was printed the following notification:

"Goods of this order must be delivered when specified. In case you cannot comply, advise us by return mail stating earliest date of delivery you can make, and await our further orders. The acceptance of this order, which in any event you must promptly acknowledge, will be considered by us as a guarantee on your part of prompt delivery within the specified time."

The owner of the merchandise, knowing that he was able to make delivery on the date specified in the order, failed to acknowledge and accept the order but proceeded to ship the goods. In the meantime changed conditions prevented the purchaser from accepting the shipment, and the seller filed suit.

Although the notification was printed in large type, the Court held the purchaser not liable for failure to accept and pay for the shipped goods. The Court said:

"Where a contract contains two repugnant provisions, the one printed and the other written, it is well settled that the latter must control the interpretation of the instrument, as it is presumed to express the latest intention of the parties. . . . The principle prevails that contracts should be so construed as to give effect to every word and expression contained therein."

#### Effect of Verbal Agreement on Printed Notifications

IT is important to know that a valid oral contract is equally as effective and binding as a written one, and both

(Concluded on page 42)

# WHAT'S WHAT IN NEW BUILDINGS

125

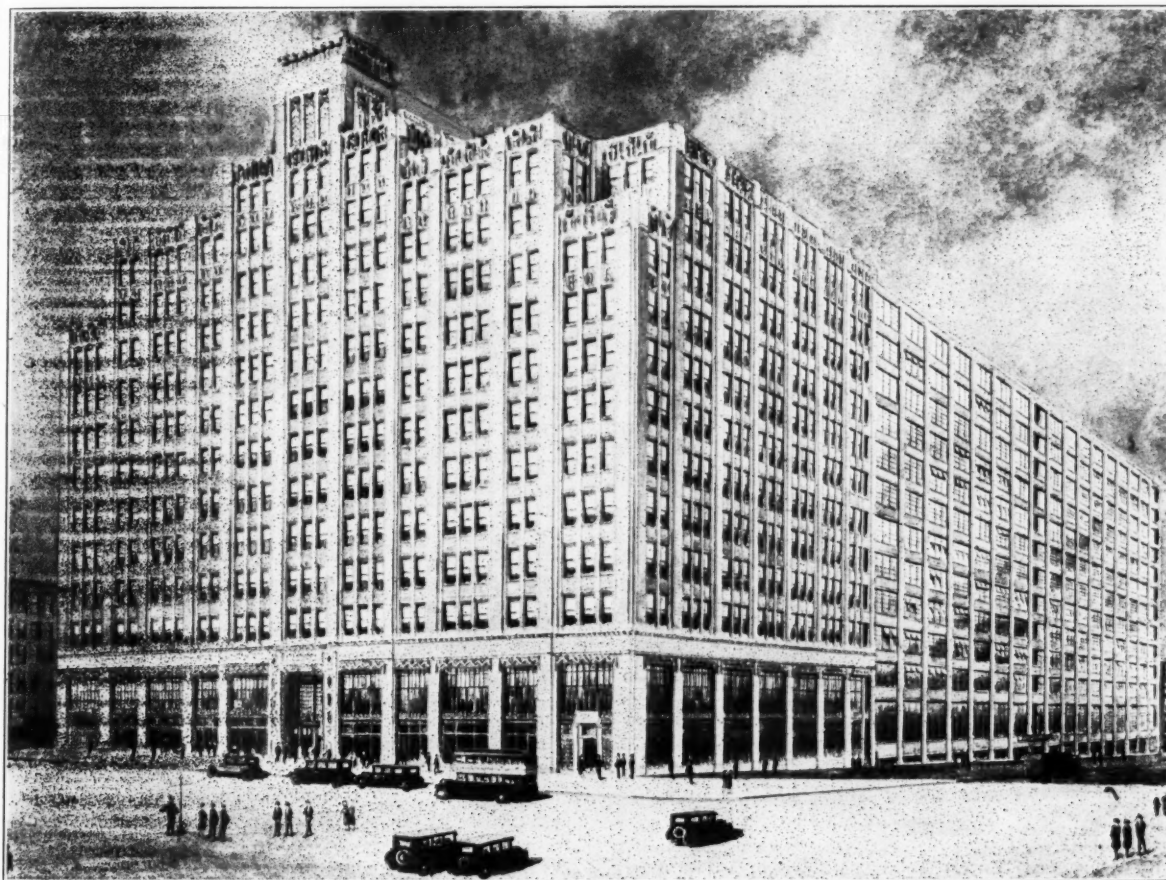
Terminal Commerce  
Philadelphia

THE Terminal Commerce Building, a \$7,000,000 project, which is planned to be ready for occupancy early in 1930, is being constructed in Philadelphia by the Reading Railroad and has been leased in its entirety for a long term of years by the Terminal Warehouse Co. of that city.

house, shipping and garage.

"Second, a location in the central business district, with a provision for garaging the automobiles of tenants and callers at the building.

"Third, a building suitably appointed for office and display purposes.



This is a new type of commercial structure in Philadelphia. It is designed to be used by that part of the city's business which is devoted to the distribution of merchandise—the wholesaler the jobber, the manufacturer's representative and the branch organization of the distant shipper. The purposes, according to L. T. Howell of the Terminal Warehouse Co., are as follows:

"First, a building in which all factors of distribution can be combined. These include office, sales display, ware-

ing and shipping.

"Fifth, a centrally located building of this description where rentals will be competitive with those quoted in the distant and less desirable sections of Philadelphia.

"The Terminal Commerce Building will measure up to each of these requirements in every respect. The location is central, being only four blocks north of City Hall

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No. 72

**E. C. and H. B. Lyon**

By H. H. DUNN

Success Story

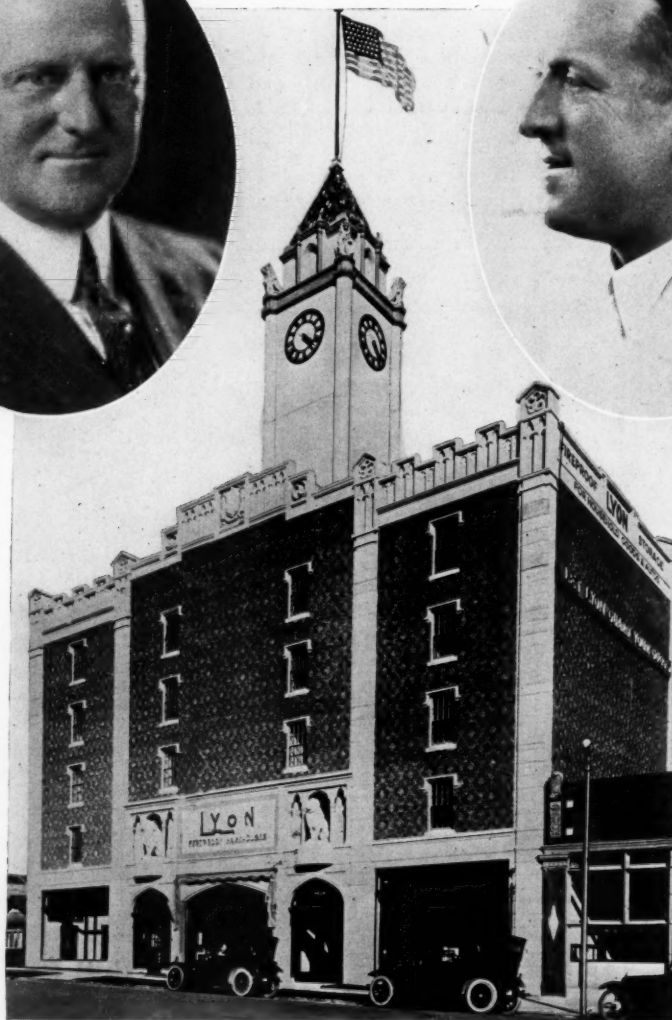
**Let's Take the Family Album**

*In oval above, Edward C. Lyon, founder of the Lyon company of Oakland*

*Below, the household goods depository of the Lyon Van & Storage Co., Inc., in Oakland, Cal.*



*In oval to left, Harvey B. Lyon, now the firm's president*



**T**HIS page of the Family Album contains two photographs—one, of Harvey B. Lyon, who rose on a \$1 option to become president of the Pacific Coast Furniture Warehousemen's Association; the other, of his brother, E. C. Lyon, who converted a furniture store into one of the largest furniture warehousing businesses in the West. Their histories together furnish a composite picture of the way in which \$10,000 was developed into an investment of \$250,000—a true romance of storage.

They have been together longer than twenty years, these brothers—ever since the younger, Harvey, took up that \$1 option—and each still considers the other the greatest warehouseman in the industry.

Known to most everybody in central California as "Ed" and "Harvey," they own and operate the Lyon Storage & Moving Co., Inc., Oakland, Cal.

Away back in the late '80s their father, Col. J. L. Lyon, owned the largest furniture store in Oakland.

His customers began to ask him to store their furniture when they went away, or to move it when they changed residences. In 1890, nearly forty years ago, Colonel Lyon built an iron structure, one story high, 100 ft. long and 25 ft. wide—the first "furniture" in that part of the West. A little later he added 40 ft. to the length, and advertised the plant as "prepared to care for Oakland's needs for many years to come." This 3500 sq. ft. of floor space has grown under the direction of the sons, to 72,500 sq. ft. of fire-

proof space and 20,000 of non-fireproof storage.

In 1890 E. C. Lyon joined his father in business. Brother Harvey was still in school. When Colonel Lyon retired, "Ed" sold the furniture branch and went into the warehouse industry by organizing a firm called the Lyon-Dimock Storage and Moving Co. In 1903 he went to Los Angeles and established there the Lyon Fireproof Storage Co., which later was to be affiliated with the present Lyon Van & Storage Co., Inc., operating a chain of household goods depositories in California cities. The Lyon brothers of Oakland are not identified with

(Concluded on page 43)

No. 73

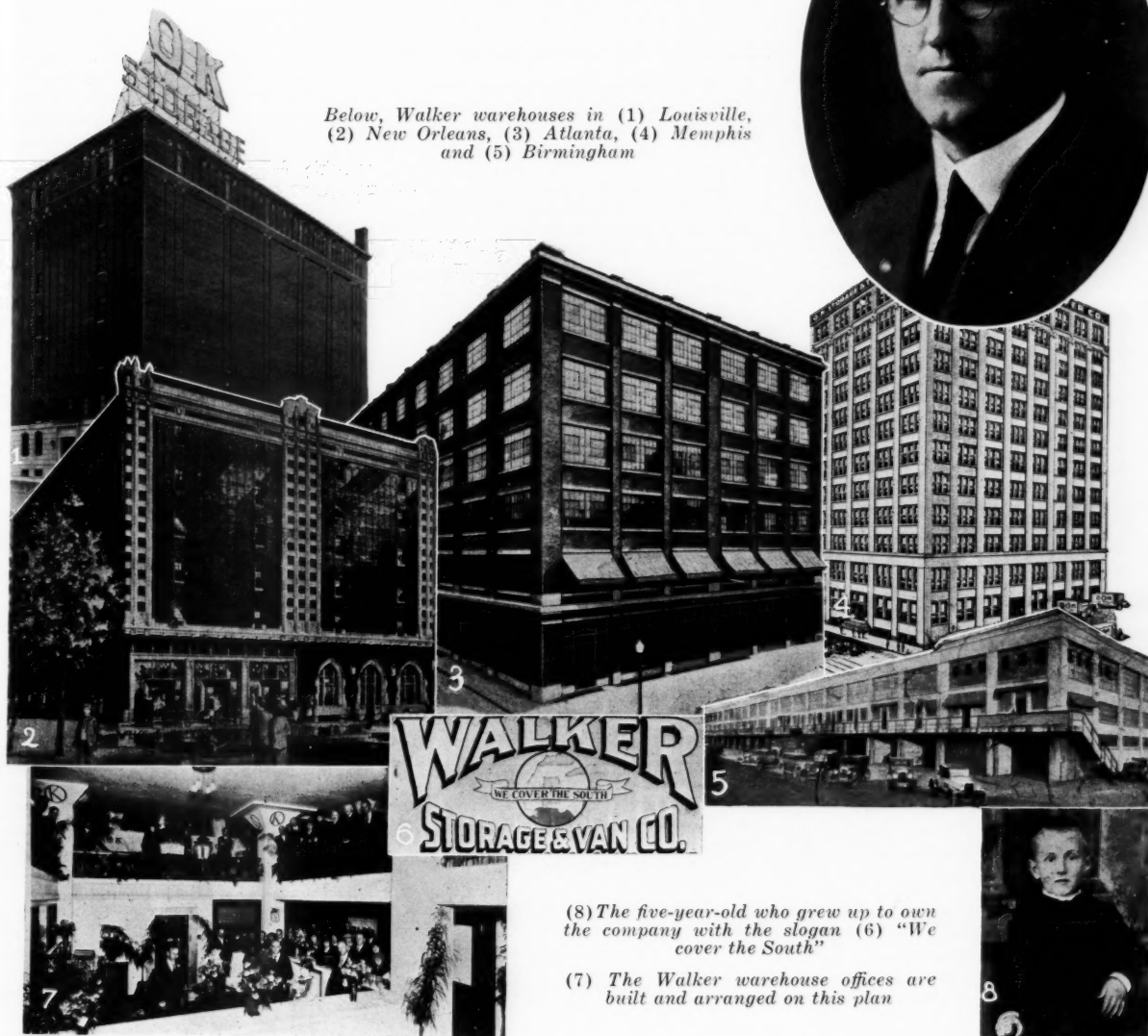
## James M. Walker

By ELIZABETH FORMAN

# Album Out of Storage!

In oval, James M. Walker, founder and president of the O. K. Transfer & Storage Co., now the Walker Storage & Van Co., operating in southern cities

Below, Walker warehouses in (1) Louisville, (2) New Orleans, (3) Atlanta, (4) Memphis and (5) Birmingham



(8) The five-year-old who grew up to own the company with the slogan (6) "We cover the South"

(7) The Walker warehouse offices are built and arranged on this plan

WHEN James M. Walker, today president of the Walker Storage & Van Co. and a director of the National Furniture Warehousemen's Association, was a lad of sixteen he wanted to get away from the farm, so he walked from home in Brownsville, Tenn.,

where he was born in 1881, into Memphis, a distance of fifty miles. He continued to walk until he found a job in a furniture store.

When Mr. Walker became a leading figure in the ware-

(Concluded on page 46)

# The Uniform System of Accounts As Prescribed in California

by the State Railroad Commission for Merchandise Warehousemen  
Operating in Cities of 25,000 or More in Population

## Part VII

### Classification of Operating Expenses

#### General Instructions and Definitions

**SECTION 1.** Operating Expenses Defined. *Section 2.* Defining Certain Terms Used in Connection with Operating Expense Accounts. *Section 3.* Unaudited Bills and Vouchers. *Section 4.* Delayed Operating Expense Items. *Section 5.* Salvage and Insurance. *Section 6.* Rents. *Section 7.* Depreciation. *Section 8.* Clearing Accounts.

#### Operating Expense Accounts

- I. Conducting Warehouse Operations.*
  600. Superintendent and Foreman Salaries.
  601. Labor Handling In and Out.
  602. Labor Unloading Cars or Vehicles.
  603. Labor Loading Cars.
  604. Labor Weighing.
  605. Reconditioning Packages.
  606. Labor Sold on Hourly Basis.
  607. Non-Productive Labor.
  608. Watchmen.
  609. Gasoline, Lubricants and Other Motor Vehicle Supplies (Not Cartage).
  610. Loss and Damage Claims.
  611. Public Liability and Workman's Compensation Insurance.
  612. Power, Light, Heat and Water.
  613. Warehouse Supplies.
  614. Miscellaneous Warehouse Operating Expenses.
- II. Repair Expenses.*
  620. Repairs to Buildings and Structures.
  621. Repairs to Machinery, Tools, Etc.
  622. Repairs to Transportation on Equipment (Not Cartage).
  623. Other Repairs.
  624. Depreciation on Equipment.
- III. Soliciting Business.*
  630. Superintendence and Solicitation.
  631. Advertising.
  632. Miscellaneous Expenses Due to Soliciting Business.
- IV. General and Miscellaneous Expenses.*
  640. Salaries of General Officers.
  641. Expenses of General Officers.
  642. Salaries of General Office Employees.
  643. Expenses of General Office Employees.

AS explained in the January issue of *Distribution and Warehousing*, a uniform system of keeping accounts and records was prescribed by the California Railroad Commission, effective Jan. 1, for commercial warehouse companies operating in cities having a population of 25,000 or more and subject to the provisions of the State's Public Utilities Act.

The Commission's directing order was unprecedented in the history of the public storage industry, and it is believed that the outcome will be watched with interest by warehouse executives all over the country.

The first part of the California system was published in the January issue. Part II, "Balance Sheet Accounts," appeared in the February number; Part III, "Property and Equipment Accounts," in March; Part IV, "Classification of Profit and Loss Accounts," in April; Part V, "Classification of Income Accounts," in May, and Part VI, "Classification of Operating Revenue Accounts," in June.

The seventh and concluding part will be found in the accompanying pages.

644. General Office Supplies and Expenses.
645. Corporation Expenses.
646. Rents.
647. Insurance Not Otherwise Specified.
648. Law Expenses.
649. Railroad Commission Expenses.
650. Stationery and Printing.
651. Telephone and Telegraph Expenses.
652. Dues and Subscriptions.
653. Miscellaneous General Expense.

#### Section 1. Operating Expenses Defined

The term "operating expenses" means such expenses as are necessary to the rendering of public utility service re-

quired or authorized by law. Expenditures directly incidental to and accounting for non-operating revenues and the maintenance of the property from which such revenues are derived are not includible in operating expenses.

#### Section 2. Defining Certain Terms Used in Connection with Operating Expense Accounts

(a) Except where some other meaning is clearly apparent from the text of the accounts, the following words wherever used have the meaning stated below:

(b) "Cost" means cash or money cost, and not price based on a term of credit.

(c) "Labor" means human services of whatever character.

(d) "Cost of labor" includes wages, salaries and fees paid to persons for their services.

(e) "Cost of materials and supplies" includes all specifically assignable transportation charges incurred in obtaining the delivery of such materials and supplies on the premises of the warehouseman such as packing, drayage, freight and express charges, excise taxes on articles purchased, insurance, custom duties, commissions, etc.; there may also be included a suitable proportion of store expenses in the event such a clearing account is used.

(f) "Cost of repairs" includes the wages, salaries and fees paid to employees directly engaged in the work of repairs, the personal expenses of the employees when borne by the warehouseman, the cost (including transportation) of materials and supplies used, and the expense of facilities employed in making repairs.

(g) "Repairs." The items chargeable to "Repair" accounts, 620 to 623, should be confined to labor and material expended in repairs to buildings, equipment, furniture and fixtures. The items includible in the "Repair" accounts should be for the purpose of keeping the tangible property in serviceable condition. Charges on account of depreciation should not be included in cost of repairs.

#### Section 3. Unaudited Bills and Vouchers

When bills covering operating expense items are not received in time for audit,



and when vouchers are not made in time for inclusion in the operating accounts for the months in which the transactions occur, the items may be estimated and in such form charged and credited to operating accounts, and credited or charged to appropriate suspense accounts, the necessary adjustments being made later when they are taken into the accounts.

#### Section 4. Delayed Operating Expense Items

The entries in the operating expense accounts described herein should, for a particular period or year, include, insofar as practicable, all of the expenses incurred during such period or year. In case, however, an expense item is not recorded in the accounts for the fiscal period to which it applies, it should be included in the expense accounts for the period in which the entry relating thereto is recorded, unless the amount of such delayed item is relatively so large that its inclusion in the expense accounts for a single year would result in a seriously abnormal statement of operating expenses, in which case such delayed item may be included in profit and loss.

#### Section 5. Salvage and Insurance

Salvage and insurance recovered in connection with maintenance jobs not involving deductions from fixed capital shall be credited to the appropriate repair account. If the insurance for damaged property is relatively large and is received before the repairs have been completed, a disproportionate credit to operating expenses may be avoided by crediting the amount of insurance recovered to an expense account to which the cost of repairs shall then be charged to the extent that it is covered by insurance. Insurance recovered in connection with personal injuries shall be credited to account 611, "Public Liability on Workmen's Compensation Insurance." Dividends distributed by mutual insurance companies shall be credited to the account to which the insurance premiums are charged. Recoveries under fidelity bonds shall be credited to the account charged with the loss.

#### Section 6. Rents

In this system of accounts rents paid for major units of properties are included as an income account deduction. There may be charged to certain of the operating expense accounts in this classification what may be termed minor rents, such as rents for offices, small parcels of land, miscellaneous equipment and facilities and such other rent charges as are not properly includible in the Income Account 407, "Rent, Taxes, Etc."

#### Section 7. Depreciation

Depreciation is the decline in value of property and is one of the losses of the company chargeable under the provisions of this system of accounts to income, profit and loss or operating expense accounts.

There is a certain wear and tear taking place in the property during operation which cannot be covered by current

repairs, and, in addition, the property is liable to become obsolete or inadequate and for that reason will probably at some future date be discarded or replaced.

In order to provide for the expense when property is taken out of service or replaced, charges should be made to the appropriate income or operating expense account to provide a reserve for such purpose. Such charges shall be based on a rule whereby the original sum less salvage to be provided shall be evenly distributed over the life of the property. The Commission does not in this system of accounts prescribe the rate of depreciation.

The amount of the monthly or annual charges to cover depreciation shall be charged to Income Account 407, "Rent, Taxes, Depreciation, Etc.," or to Operating Expense Account 624, "Depreciation of Equipment," and credited to Balance Sheet Account 160, "Reserve for Accrued Depreciation." Against the latter account should be charged (to the extent that such charges are covered by the reserve) the expense of reconstruction or the cost or ledger value of property when retired.

#### Section 8. Clearing Accounts

There are certain items of expenditure which usually affect several classes of operation which it is desirable to charge to a clearing account prior to the distribution thereof to a specific operating expense, fixed capital or other appropriate account. Among the more important of such items are stores department and transportation department expenses. Other similar clearing accounts may be established when necessary or desirable.

The clearing accounts, if maintained, shall be cleared annually, but if at the end of the year a debit balance remains in these accounts, which is properly chargeable to current operating expenses and which is impracticable of distribution to a specific operating expense account, such undistributed balance may be included in Operating Expense Account 653, "Miscellaneous General Expenses." That part of the expenses properly chargeable to fixed capital should be charged to the appropriate fixed capital account or accounts. Any remaining debit balance which may be applicable to a future period or is otherwise not properly chargeable to current operating expenses, fixed capital accounts or other appropriate specific account shall be included in Balance Sheet Account 162, "Other Credit Accounts."

#### Text Pertaining to Operating Expense Accounts

(Note: The amounts charged to the respective operating expense accounts shall be only such as are applicable to public utility operations. All other expenses shall be treated as income account deductions.)

##### I. Conducting Warehouse Operations

600. *Superintendent and Foreman Salaries.* Include in this account the pay and traveling expenses of the warehouse superintendent, his assistants and clerks,

and of day and night foremen; also such portion of the pay and traveling expenses of the general superintendent, his assistants and clerks as may be properly assigned to warehouse operations.

601. *Labor Handling In and Out.* Charge to this account all labor used in the handling of merchandise from warehouse platform to pile, piling and redelivery to warehouse platform, including elevator men.

602. *Labor Unloading Cars or Vehicles.* Charge to this account the cost of all labor used in the handling of merchandise out of cars or from vehicles (at warehouse) into warehouse platform.

603. *Labor Loading Cars.* Charge to this account the cost of all labor used in the handling of merchandise from warehouse platform into cars at warehouse siding, including dunnaging.

604. *Labor Weighing.* Charge to this account the cost of all labor used at warehouse scales in the weighing of commodities.

605. *Reconditioning Packages.* Charge to this account the cost of all labor and materials used in the reconditioning of damaged packages.

606. *Labor Sold on Hourly Basis.* Charge to this account the cost of all labor sold on hourly basis.

607. *Non-Productive Labor.* Charge to this account the cost of all non-productive labor, including sick pay, holiday pay, time of labor waiting for work, sweeping, cleaning up space and making room.

608. *Watchmen.* Charge to this account the cost of watchmen, whether on the warehouseman's payroll, or hired through special night watch system; it shall include also the amount paid for A. D. T. service or other protective measures.

609. *Gasoline, Lubricants and Other Motor Vehicle Supplies (Not Cartage).* Charge to this account the cost of all gasoline, lubricating oils and other vehicle supplies (not cartage).

610. *Loss and Damage Claims.* This account shall include all liabilities arising from the loss or damage to goods stored.

611. *Public Liability and Workmen's Compensation Insurance.* This account shall include the cost of public liability and workman's compensation insurance on labor charged to warehouse operation (not office), crediting this account with any rebates thereon. If the insurance is carried by the reporting warehouseman, charge to this account or to a reserve, if such reserve has been created through charges to this account, all expenditures on account of persons killed or injured and property damaged, other than property in storage damaged; compensation paid employees injured while in performance of their duties, salaries and expenses of claim agents, adjusters and others engaged in the investigation of accidents and adjustment of claims, salaries, fees and expenses of surgeons and doctors, medical and surgical supplies, nursing and hospital attendance, fees and expenses of coroners and undertakers, fees of witnesses and others.

612. *Power, Light, Heat and Water.*

This account shall include all expenses in connection with power, light, heat and water for warehouse operations, not including general office.

613. *Warehouse Supplies.* This account shall include the cost of all supplies used in warehouse operations not properly chargeable to another account.

614. *Miscellaneous Warehouse Operating Expenses.* Charge to this account all expenses in conducting the warehouse operations not properly chargeable to any of the foregoing accounts.

## II. Repair Expenses

620. *Repairs to Buildings and Structures.* This account shall include the cost of labor and material used in repairing warehouses, garages, general offices, and other buildings and structures used in warehouse operations.

621. *Repairs to Tools, Machinery, Etc.* This account shall include the cost of labor and material used in repairing machinery, tools (except hand tools), elevators, cranes, lockers, hoists, fire protection system, vaults.

622. *Repairs to Transportation Equipment (Not Cartage).* This account shall include the cost of repairs to transportation equipment (not cartage), such as the cost of tires and tubes; the salaries and wages of men engaged in the repair of transportation equipment (not cartage), and all expenses in keeping such equipment in efficient working order.

623. *All Other Repairs.* Charge to this account the cost of all repairs not covered by the foregoing accounts.

624. *Depreciation on Equipment.* Charge to this account monthly or annually the amount estimated to be necessary to cover the depreciation accruing in the warehouseman's investment in equipment. The amount charged to this account shall concurrently be credited to Account 160, "Reserve for Accrued Depreciation."

## III. Soliciting Business

630. *Superintendence and Solicitation.* Charge to this account the salaries and expenses of employees engaged in soliciting business. In cases where employees are engaged part time in soliciting business and part time in some other department, their salaries and expenses shall be apportioned on some equitable basis.

631. *Advertising.* Charge to this account the salaries and expenses of advertising agents, cost of printing and distributing advertising matter; advertising in newspapers and periodicals for the purpose of securing business; cost of bill posting, postage and express charges on advertising matter, and the like.

632. *Miscellaneous Expenses Due to Soliciting Business.* Charge to this account all expenses incurred to secure additional business not properly chargeable to Accounts 630 or 631.

## IV. General and Miscellaneous Expenses

640. *Salaries of General Officers.* Include in this account the salaries of general officers.

641. *Expenses of General Officers.* In-

clude in this account the traveling and incidental expenses of officers.

642. *Salaries of General Office Employees.* Include in this account the salaries of auditors, bookkeepers, cashiers, paymasters, stenographers and clerks employed in keeping accounts and records, counting cash, etc.; also the pay of janitors, porters, messengers and other employees whose time is devoted to the work of the general office.

643. *Expenses of General Office Employees.* Include in this account the traveling and incidental expenses of auditors, bookkeepers, cashiers, paymasters, stenographers and clerks employed in keeping accounts and records, counting cash, etc.; also the pay of janitors, porters, messengers and other employees whose time is devoted to the work of the general office.

644. *General Office Supplies and Expenses.* Include in this account the cost of supplies and expenses incurred in connection with the operations of the general office, such as postage, books and periodicals, heat, water, janitor supplies; repairs to furniture and fixtures; rent and repair of office equipment and other similar expenses of the general office.

645. *Corporation Expenses.* Include in this account the cost of publishing and distributing annual reports to stockholders, advertising notice of stockhold-

ers' meetings, dividend notices and other corporate and financial notices of general character, directors' fees and expenses, cost of experimental work conducted for the benefit of the industry or the improvement of service, fees of transfer agents, of registrars of stock, and of fiscal agents, and other miscellaneous expenses connected with the general management not otherwise provided for.

646. *Rents.* Charge to this account all rents payable properly includible in operating expenses, under the instructions contained in Section 6, "Rents."

647. *Insurance Not Otherwise Specified.* Charge to this account the premiums paid for fire, fidelity, burglary and other insurance not otherwise provided for, including workmen's compensation and public liability insurance on officers and clerks; also amounts set aside as an insurance reserve by a company carrying its own insurance on the above classes.

648. *Law Expenses.* This account shall include all law expenses except those incurred in the defense and settlement of damage claims and proceedings before the Railroad Commission. It includes salaries and expenses of counsel and attorneys, their clerks and attendants and expenses of their offices; fees and retainers for services of attorneys not regular employees; cost of law books; cost of printing briefs, legal forms, testimony, reports, etc.; Court costs and payment of specific notarial and witness fees not provided for elsewhere; expenses connected with taking depositions; law expenses of receivers; and all other law and Court expenses properly assignable to public utility warehouse operations not provided for in some other account.

649. *Railroad Commission Expense.* Charge to this account all expenses incurred to defend or prosecute petitions, complaints and other transactions before the Railroad Commission, except those expenses which are made necessary by rules, regulations and orders of the Commission, for the improvement of service, shall not be charged to this account, but direct to the department expense account affected.

650. *Stationery and Printing.* Charge to this account the cost of all stationery and printing used in public utility warehouse operations.

651. *Telephone and Telegraph.* Charge to this account the cost of telephone and telegraph service used in public utility warehouse operations.

652. *Dues and Subscriptions.* Charge to this account the cost of all dues and charges of business associations and clubs, provided that no charges or moneys paid directly or indirectly to promote or defeat legislation of any kind whatsoever, or to elect or defeat a candidate for public office, may be charged to this or any other operating expense account.

653. *Miscellaneous General Expenses.* Charge to this account all other general expenses applicable to public utility warehouse operations not provided for elsewhere.

## Potential Accounts for Warehousemen

The Brazilian American Coffee Promotion Committee, New York, has appointed N. W. Ayer & Son to direct its advertising account. An appropriation of approximately \$160,000 will be spent this year. Mediums to be used will include medical, scientific, educational home economies, dietetic, hotel and restaurant publications in addition to coffee trade papers. A considerable proportion of the appropriation it is stated will be used for radio and motion picture advertising.

The Minnesota Valley Canning Company, Le Seuer, Minn., packer of Del Maiz corn and Green Giant peas, has placed its advertising account with the Mac Martin Advertising Agency, Minneapolis.

This agency also has been appointed to direct the advertising account of the Nash Coffee Company, Minneapolis.

The Lyons-Magnus Corporation, San Francisco, glacé fruit, root beer, etc., has appointed Emil Brisacher and Staff, advertising agency of that city, to direct its advertising account. Newspapers and business papers will be used for the present. A campaign on Lyons California glacé fruits in magazines is being planned for the near future.

Peck, Frean & Company, Ltd., London, England, manufacturer of whole wheat breads, biscuits, cakes, etc., has appointed Ewing, Jones & Higgins, Inc., New York and Philadelphia advertising agency, as advertising and merchandising counsel in the United States.

The A. J. Krank Manufacturing Company, St. Paul, Minn., toilet preparations, has appointed Olson and Enzinger, Inc., Milwaukee advertising agency, to direct its advertising account. Magazines and women's publications will be used.

The Curran Laboratories, Inc., New York, beauty preparations, has appointed Kelly, Spline & Watkins, Inc., advertising agency of that city, to direct its advertising account.

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By H. A. Haring

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A Study of the Economy of Modern Distribution.  
By Ralph Borsodi

#### **Household Goods Warehousing in the United States . . . . . 6.00**

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By Clarence A. Aspinwall

#### **The Merchandise Warehouse in Distribution . . . . . 0.10**

A Department of Commerce publication.

#### **The Railroad Freight Service . . . . . 5.20**

Practical information for traffic executives.  
By Grover G. Huebner and Emory R. Johnson

#### **Standard Contract Terms and Conditions 0.05**

A Department of Commerce publication.

#### **Suggestions for the Practice of Commercial Arbitration in the United States . . . . . 1.85**

Prepared by the American Arbitration Association.

#### **Trade Associations: The Legal Aspects . . 5.10**

Trade association law, statistics, uniform cost accounting, credit bureaus, purchasing, standardization.

By Benjamin S. Kirsch

#### **Traffic Management . . . . . 3.70**

A comprehensive treatment of traffic management.  
By G. Lloyd Wilson, Ph.D.

#### **United States Warehouse Act . . . . . 0.05**

Regulations, as prescribed by Department of Agriculture, for warehousemen storing canned foods.

#### **Warehouse Directory (subscription to *Distribution and Warehousing* included) . . . 3.00**

The industry's annual reference volume, containing statistics and data regarding warehouse companies throughout the United States and Canada. The 1929 edition appears as part of the January issue of *Distribution and Warehousing*. Single copies each . . . . . 5.00

#### **Warehouse Forms . . . . . 0.10**

Simplified Practice Recommendations No. 34 of the U. S. Department of Commerce. Describing and illustrating the standard warehouse documents approved by the Government.

#### **Warehousing . . . . . 10.00**

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By H. A. Haring

#### **Warehousing General Merchandise—An Encyclopedia**

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# FROM THE LEGAL VIEWPOINT

By Leo T. Parker

## Quality of Goods Accepted for Storage Must Be Proved by Owner Seeking Damages

IT is well settled that the owner of goods, who seeks to recover damages for the loss of merchandise stored in a warehouse, is bound to prove the quantity and quality of the goods when it was accepted for storage, as well as prove the character of the damage when delivery was made by the warehouseman. This point of the law was involved in the case of *Dejon v. Smedley Co.*, 144 Atl. 473.

The facts of this case are that a warehouseman received for storage 59 barrels, supposed to contain 3017 gallons of whiskey.

Four years later when the owner requested delivery of the whiskey he discovered that the barrels contained water. The lower court held the warehouseman liable for \$36,338 damages, but the higher court reversed this verdict because the owner of the goods failed to prove positively the contents of the barrels when they were delivered to the warehouse. This court said:

"It is clear that the amount of damages awarded by the verdict must either have been based upon conjecture as to the number of gallons of liquor delivered to the defendant [warehouseman]. . . . Since the warehouse receipt did not set forth any specific quantity, quality, or value, the burden was upon the plaintiff [owner] to prove these elements essential to a recovery. . . . The burden rested upon the plaintiff [owner] to prove the nature and quantity of the property which he intrusted to the defendant [warehouseman] and for loss of which he seeks damages."

## Lender of Money on Fictitious Receipts Not Entitled to Receive Payment

IN *National v. Maryland Casualty Co.*, 146 S. E. 739, it was held that a person who accepts warehouse receipts, when knowing that they are not issued for goods actually stored, such holder of the receipts cannot recover damages from the warehouseman, nor his surety.

In this instance it was shown that the practice of the warehouse company issuing receipts to its directors had been going on for some years. The custom was not to borrow on receipts, but to discount notes secured by warehouse receipts. The warehouse receipts were issued by the warehouse to the director making a note payable to the warehouse company, and the warehouse company would indorse the note to the bank.

During the course of its business the

warehouse corporation, through one of its directors, obtained a loan from a bank, giving as security several warehouse receipts. In view of the fact that the bank officials should have known, or actually knew, that the receipts were fictitious, the court held the surety company not liable for payment of the note to the bank, saying:

"If this transaction was a mere scheme by which the warehouse company undertook to obtain from the bank funds for its own use, by pledging cotton which it did not own or on which it had no lien for advances made to depositors of such cotton, and which the parties to

dict a statement which he has made in the receipt, so as to injure a party who has been misled by it. . . .

"A warehouse receipt is a mere symbol of property, and when it has passed from the person to whom it is issued to another, it is only symbolic of the property it represents. If it represents no property, its holder has nothing but a scrap of paper. That is the general character of a warehouse receipt, just as that of a bill of lading."

## Holder of Receipts Entitled to Possession of Stored Goods

GENERALLY speaking, a person who in good faith gains possession of warehouse receipts is entitled to delivery of the stored goods.

For example, in *Southern Pac. Co. v. Bank of America*, 29 F. (2nd) 465, it was disclosed that an initial common carrier, in San Francisco, issued to Ono Trading Co. a uniform order bill of lading for the transportation of crab meat. The bill of lading consigned the crab meat to Ono Trading Co., Chicago, "Notify Mescher."

The Ono company indorsed the bill of lading, and drew a sight draft on Mescher for \$37,500 to the order of Pacific National Bank of San Francisco, and, with it, delivered to the bank the bill of lading.

The connecting carrier failed to obtain the bill of lading, and delivered the crab meat to a public warehouse company, which issued its warehouse receipt to Mescher, who indorsed and delivered it to a bank as collateral for a loan.

The holder of the bill of lading and draft sued to recover possession of the merchandise. However, the Court held the holder of the warehouse receipts the rightful owner of the goods, saying:

"Who is entitled to the possession of the property? The title may be in one, and the right of possession in another, so that one having the right of possession may recover that possession from the owner. . . . The question is whether, under the circumstances, the plaintiff's [initial carrier's] right to possession of the crab meat is superior to defendant's [holder of receipts] right of possession thereof. We are of opinion that plaintiff [carrier] has no such superior right."

## Insurance Company Held Required to Pay Amount of Warehouseman's Interest in Destroyed Goods

THE law is well established that any material variation from the terms of an insurance policy, or any false state-

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whom the receipts were issued did not own, or in which they did not have any interest, it was not a genuine warehouse transaction, and if the bank knew the character of the transaction at the time it discounted the notes secured by the warehouse receipts, the surety on the bond of the warehouse company would not be liable to the bank on the receipts so issued and used.

"If, however, these receipts were issued in due course of business for the express purpose of being pledged as security to obtain money, and the warehouseman discounted the notes of the holders of these receipts indorsed and attached thereto as security, and obtained money from the bank on said notes and receipts, the bank acting in good faith and without notice would be entitled to stand on the terms of the pledged receipts as importing a genuine business transaction of the nature described in these instruments. In these circumstances, though no goods in fact had been received for storage, the warehouse company would be liable to the bank.

"Where the warehouseman gives to a party who holds his receipts a false credit, he will not be suffered to contra-

ment made by the insured for fraudulent purposes, invalidates the policy.

However, in the recent case of *Globe & Rutgers Fire Ins. Co. v. Frankfort*, 11 S. W. (2nd) 968, it was held that a warehouseman is entitled to collect his insurable interest in destroyed goods, notwithstanding his failure to inform the insurance company that a part interest in the insured merchandise had been sold to another to whom warehouse receipts were issued.

The facts of the case are that a warehouse corporation issued warehouse receipts to its president for merchandise. The president and the warehouse corporation owned separate interests in the goods, and the corporation held an insurance policy containing the following clause:

"This entire policy, unless otherwise provided by agreement indorsed hereon or added hereto, shall be void if the interest of the insured be other than unconditional and sole ownership."

The warehouse burned, and the insurance company refused to pay the insurance to the warehouse corporation, contending that the latter had violated the terms of the policy when issuing receipts to the president and by its failure to have indorsed on the policy true information that the president had an interest in the merchandise.

However, the Court held the warehouse corporation entitled to recover an amount of insurance on the destroyed goods equal to its actual interest in the merchandise, stating important law, as follows:

"If the insured [warehouseman] has a pecuniary interest in the thing insured equal to or greater than the amount of the insurance, it cannot be material to the risk that somebody else has some interest in the property, or that the assured does not own the absolute and unconditional title. . . . It is urged that the issuance of warehouse receipts passed absolute title to the holders, and estopped the warehouseman from asserting any subsequent interests in the property represented by the receipts. . . . In a contest between the warehouseman and the insurer, the former may show an insurable interest in the property represented by the receipts. . . . The rule is that a policy of insurance is not vitiated by a false statement in a proof of loss, unless it was intentionally false, amounted to a fraudulent over-valuation of goods destroyed, or contained a statement of items without existence in fact."

#### Insurance Company Liable on Policy

IT is well settled that a warehouseman or bailee may collect insurance for stored goods destroyed by fire, if the policy contains a clause stating that the policy protects goods "held in trust" for others.

For instance, in *B. N. Exton & Co. v. Home Fire & Marine Insurance Co.*, 164 N. E. 43, it was disclosed that a warehouseman, who stored nineteen rolls of paper for a customer, held a fire insurance policy which covered the warehouseman's "stock, materials and sup-

plies, including labor performed thereon in all stages, the property of the assured or that held in trust or on commission, or sold but not delivered or held on joint account with others and, also, the property of others for which the assured may be or agree to become liable in case of loss or damage by fire."

A fire occurred and the insurance company refused to pay the loss to the warehouseman on the grounds that the insurance policy protected only his own property and not that which it held in storage for others.

However, it is interesting to observe that in view of the italicized portion of the clause of the policy, the Court held the storage firm entitled to recover from the insurance company the value of the destroyed paper, stating important law, as follows:

"We are of the opinion that the policies in this case covered the Brown Company's [customer's] paper. . . . The words 'in trust' may, with entire propriety, be applied to any case of bailment where goods belonging to one person are intrusted to the custody or care of another, and for which the bailee is responsible to the owner. . . . The phrases describing property as 'held in trust' or 'on commission,' and kindred terms, in a policy to an agent, factor or the like, have been held as giving to the owner of the property a right to take the place of the insured, to adopt the contract, and to enforce it in his own name or that of his agent."

#### Distinction Between Chattel Mortgage and Conditional Sale Contract

IN many instances it is difficult to distinguish between a conditional sale contract and a mortgage. For example, in *J. L. Hudson Co. v. Apartment Investment Corporation*, 221 N. W. 630, a purchaser of furniture signed the following contract:

"Vendee [buyer] to have possession of above described merchandise until he defaults hereunder, but the title to remain in vendor [seller] until the purchase price is fully paid, at which time vendor [seller] will transfer title to vendee [purchaser]."

Later litigation arose as to whether this contract was legally a mortgage. The higher Court held this to be a conditional contract of sale, and not a chattel mortgage.

#### Duty of Warehouseman to Protect Customers Against Injuries

FREQUENTLY the question arises with respect to the duty of a warehouseman to protect against injuries persons who come into his warehouse.

For illustration, in *Merchants' Warehouse Co. v. Perry*, 118 So. 406, it was disclosed that a customer, while carrying merchandise into a warehouse to

be stored, sustained severe injuries as a result of falling down a dark elevator opening.

The customer filed suit against the warehouseman, contending that the latter should have posted a warning to caution persons of the danger. The lower Court held the warehouseman liable, but the higher Court reversed this verdict, saying:

"To constitute plaintiff an invitee, he must have been in the warehouse upon the business upon which the invitation to the public is extended. . . . It is well understood that the duty to an invitee is not to injure him either negligently or wilfully or wantonly. . . . This extends to negligence in failing to warn an invitee of danger, of which he knows or ought to know, and of which the invitee is ignorant. . . . It extends also to the duty to use reasonable care to have the premises to which he is invited in a reasonably safe condition for such contemplated uses and within the contemplated invitation. . . . The duty to a licensee or trespasser is to use due care, after discovering his peril, and not wilfully or wantonly to injure him. . . . If defendant [warehouseman] was owing plaintiff [customer] the duty due an invitee, such duty was not absolute to warn him of a dangerous place. It was to use due care, to be left to the jury, to do so, and not be negligent."

#### Storage by Contractor Prohibited

IN many instances warehousemen may acquire new business by proper application of enforceable laws relative to storage of property.

In other words many cities have enacted laws prohibiting storage of certain kinds of merchandise except in prescribed kinds of buildings. Obviously enforcement of these laws results in increased warehouse business.

For instance, in *Appeal of Kiddy*, 143 Atl. 909, the question presented the Court was whether a contractor may use a garage on the rear of his property for the storage of cement and builder's material in view of the provisions of an ordinance which stipulates that the use of property for "contractor's plant and storage therefor, except during the course of building construction," is prohibited.

The contractor contended that he did not use the building for a "contractor's plant." He pointed to the definition of the word "plant" in the Standard Dictionary as "a set of machines, tools, etc., necessary to conduct a mechanical business," endeavoring to convince the Court that he had not violated the ordinance by storing cement and builder's material in his garage.

However, the Court held the contractor liable for violating the ordinance, saying:

"We have defined the word 'plant' as 'property owned or used in carrying on some trade or business.' . . . Our reading of the evidence satisfies us, as it did the Court below, that the storage use which plaintiff makes of the garage violates the enactment."

When you ship goods to a fellow warehouseman—use the 1929 Warehouse Directory.

H. A. Haring's

# New Business for Warehouses

No. 44

## Advertising the Warehouse as a Means of Building Revenue

**I** ONCE heard the president-owner of Coca Cola say: "We have the biggest sale of any soft drink in the world. No one is in our class for volume and distribution. Yet, if we were to stop our advertising for two years, I believe our roofs would rot for want of business. To stop advertising would kill off our present business, for one thing; and, for another, our competitors would forge ahead and sap up our customers."

As another angle to the same thought, we have the Pennsylvania Railroad, which carries more freight than any other carrier in the world. One would suppose that such a distinction would satisfy the management, but, knowing the gnawing effects of competition, the directors of that company only within three or four years began to advertise their freight-carrying facilities.

### Warehouses, Too, Must Advertise

**T**HE owner of any business always thinks that he is getting "all the business there is out to get," or, at least, that he is "getting his full share." Often he makes a mistake in so thinking.

One day last winter, in talking with a merchandise warehouseman in Ohio, I asked him how much advertising he does. The answer was what I expected: "None."

When I expressed surprise, he defended himself by saying:

"Of course I fall for the Elks' carnival program and a lot of special things here in town."

"That's not advertising," I interrupted him. "Those programs are charity, not advertising. Don't fool yourself with that trick stuff into thinking you are advertising. You're not. You're only helping some other fellow to raise cash for his own enterprise."

I then tried to make plain that advertising is a persistent, repeated telling of a sales story, instancing the department store of his own city and the Coca Cola expenditures.

Out of the talk I dared him to run a three-inch "ad." in his local newspaper every day for a month, making a wager that if he did not get "his money back" I would pay for the "ads." He was to be sole judge of the results. I then helped him write the copy for his "ad." of the first week, and, later, checked over the three "ads." that followed.

After our jesting, and as I was leaving, he became serious, for in the meantime he had telephoned the newspaper and learned what the month's advertising would cost.

"It's a waste of \$32," complained he. "Every one in this city knows our warehouse. We have no competition and

I get all the business there is in town."

To this, however, I insisted that he would be surprised, and, lest his heart become faint, I left in his hands my own check for \$32. Thus I made him not only judge of the wager but stakeholder as well.

Our conversation was on a Tuesday. The following Monday morning, in my mail, came back my check, with a letter that I shall treasure always. The gist of it was:

"My 'ad.' went in on Wednesday. Thursday I had two calls and Friday got two carloads to store. Here's your check. If it keeps on this way, the 'ad.' will be worth a hundred times \$32 before the year is over."

Then there was postscript to the dictated letter.

"Just got another call. Off on the jump to talk with a concern only two blocks away."

And, later in the winter, I found that this concern was a wholesale grocery, through whose aid he obtained three accounts.

### Why These "Ads." Pulled

**W**HAT had happened? Nothing in the world but that he had told his sales story.

The wholesale grocer, as it turned out, had seen that warehouse daily for years. He was, as a further fact, on the bank's committee which had approved the warehouseman's building loan, in 1921. But all that time that his wholesale house stood almost under the warehouse's shadow, he had never thought of it for himself. He thought of it for household furniture and for International Harvester but never for sugar and canned salmon.

The "ad.," however, told him just a

Each year they add to the appropriation for advertising and it is now stated that they will spend half a million dollars during 1929 to advertise themselves as freight carriers.

Or, look at the New York Central. It enjoys the biggest passenger revenue of any railroad on earth. Its Twentieth Century Limited, with that marvelous name, carries more passengers than any other single train, and has done so each year for twenty-five years. Yet the New York Central spends hundreds of thousands a year to advertise its fleet of passenger trains.

Let well enough alone? Not they.

They "must keep passenger service before the people," and they do it by advertising.

bit of what a merchandise warehouse can do, and he influenced three accounts right off the bat—one for brooms, one for refrigerators and one for wrapping paper.

The two carloads which had come to this warehouse, as a result of the "ad.," were 61,000 pounds of cold-drawn steel which had reached the city against a sight draft with the usual bill-of-lading attached, but, by some mistake of the mill, the shipment had been made in January whereas the order specified July. The consignee, a local manufacturing plant of rather uncertain credit, naturally refused to take up the draft until July dating, while the distant mill was unwilling to release the steel without payment.

A bank cashier, who knew these circumstances, had noted the "ad." in the evening's paper. He did not know that it was only the second day the "ad." had run, but, after talking with the warehouseman next morning, the bank telephoned the steel mill and arranged for release of the cold-drawn steel to the warehouseman, the warehouse receipt to be held by the bank until payment of the invoice, in July, by the consignee.

"The same thing often happens," related the banker to me, "but until that night, when I caught that little 'ad.' in the paper, I never thought of such a simple way out. Usually, the steel (or other merchandise) goes back and someone stands the freight."

### The Two Great Sources of New Warehouse Business

**N**EW business for warehouses comes principally from two sources.

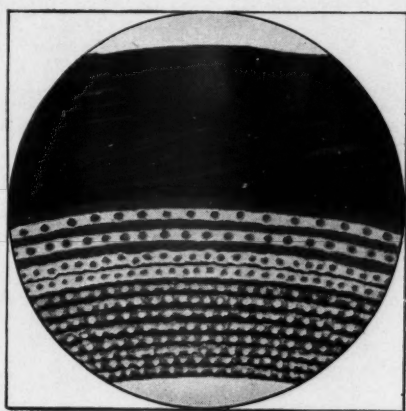
The first of these is "right at home." Warehousemen in hundreds ride the trains and write letters to all sorts of

(Concluded on page 35)



THREE GOODRICH HEAVY DUTY SILVERTOWNS

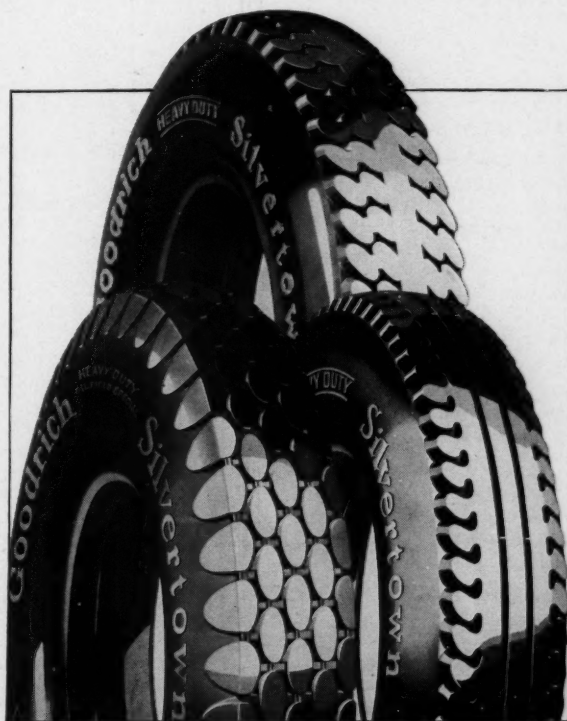
# Tough Right Thru to the innermost ply



Goodrich meets every truck tire need with a line of pneumatic truck tires toughened so thoroughly throughout that they *fight* wear right down to the innermost ply.

## *Seven Superior Specifications* built into every Heavy Duty Silvertown

1. Heavily insulated stretch-matched cords.
2. Additional *adhesion*—from greater insulation between outside plies.
3. Heavy *twin beads* for better rim seating.
4. Extra *gum fillers* between plies for longer tire life.
5. Heat *resisting*, interlocking cord *breakers*.
6. Tread designed *correctly* for heavy duty service.
7. The whole tire toughened by the famous Goodrich "*water cure*."

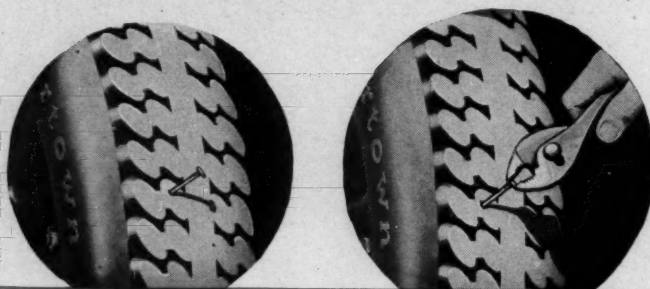


"GOODRICH HEAVY DUTY SILVERTOWNS" built to meet the special trucking condition of dump truck, general trucking and bus transportation.



# and Now

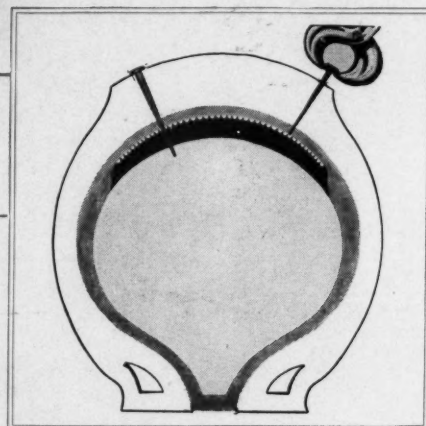
## Goodrich Announces The Remarkable Air Container To Replace Inner Tubes



**1** THAT'S BAD! Looks like certain trouble here, as any truck operator knows from frequent experience. But this one is riding on Air Containers! See what happens . . .

**2** OUT IT COMES! A pair of pliers pulls out the nail . . . and away goes the truck as if nothing had happened! No flat . . . no loss of air . . . and no slow leak! How can it be?

*Seals Punctures!  
Strengthens Tires!  
Adds Mileage!*



**T**HE Goodrich Air Container! A revolutionary new development that supplants the inner tube.

Sponsored, perfected and guaranteed by Goodrich . . . it is now available to those seeking safety and freedom from tire troubles.

### *Here's what the Air Container does:*

It seals punctures on running wheels . . . users have picked up nails, tacks, screws, pieces of tire chain . . . and driven on them for miles without the loss of a pound of air!

It maintains air pressure. Users have gone for months . . . from July, 1927, to March, 1928, in one instance . . . without adding an ounce of air to their tires.

It strengthens the whole tire. One user traveled for two weeks after cutting the tire on a stone. On removing the casing, he found that the Air Con-

tainer itself had been cut to the thickness of an ordinary inner tube . . . yet no deflation resulted in two weeks' normal use.

### *How It Works*

The diagram to the right shows how the Air Container works. When a nail pierces the Air Container, the compressed soft rubber grips it tightly . . . allowing no air to escape. As the nail is removed, this compressed rubber instantly fills up the hole, before air can be lost.

In addition . . . the Air Container is considerably heavier than the ordinary inner tube. Its thicker walls take up the force of bruises and blows.

See your nearest Goodrich dealer about the new Air Container without delay. It offers you new security, new peace of mind, new mileage, new econ-

**3** HERE'S THE REASON WHY! See that black area? That is a segment of soft rubber, under constant compression. The instant the nail pierced that segment, the soft rubber gripped it tightly, allowing no air to escape. As the nail was withdrawn, the rubber pressed in behind the point, sealing the hole perfectly, automatically, instantly. Not an ounce of pressure lost!

omy . . . in fact, revolutionary new performance from your tires, your personal cars or business trucks.

The B. F. Goodrich Rubber Company, Established 1870, Akron, Ohio. Pacific Goodrich Rubber Company, Los Angeles, Calif. In Canada: Canadian Goodrich Company, Kitchener, Ontario.

# Goodrich Air Containers



(Concluded from page 32)

distant concerns, while neglecting the business which lies within their own town. The new business may originate, it is true, out of town, but the approach to it is through some local customer of the distant manufacturer. A scrutiny of the goods which come into a city gives a hint of the warehousing business to be had; and, in nearly all cases, the easiest way to get in touch with the business is through the local customer who buys the goods.

For all the ordinary commodities of merchandise warehousing, in the smaller cities, the local dealer (who is customer of the manufacturer) can say the word that opens the way for presenting the warehouse's story. The local dealer knows what goods are coming into the community in large quantity and those for which spot stocks are desirable. The local merchant or wholesaler, furthermore, knows in what lines competition is keen and he can furnish the names of those manufacturers who are fighting for the local business.

Thus the warehouseman is saved all the waste of going after "imaginary" accounts and his solicitation goes to those who already are shipping into town.

This local source of new business may be tapped by the warehouseman's making himself personally known. Beyond his own name and "face" he must also let his community know his business, and, especially, he must explain to the community the savings possible through using the merchandise warehouse, how spot stocks help marketing, how the warehouse may be used to finance goods, how it promotes even and regular operation of the factory, etc.

One way to tell this story of his business is by spreading his personality over the town, telling the story by word of mouth and by sending solicitors throughout the community. No manner is better than these.

But—and often there is a "but"—the solicitor is apt to wear ruts down some streets and never traverse others, there is a limit to a warehouseman's personality and he tends to see the same men over and over again and overlook others. He cannot, even in a lifetime, interview every prospect in the community. Therefore, advertising in print—not trick or stunt or charity plunges, but honest-to-God paid advertising with some selling talk in the copy—comes to aid the warehouse in spreading its story through the local community.

If you doubt me, try this test on yourself:

Write down a list of all the products manufactured in your city, together with purposes for which each is sold.

When the list is finished, check it by the city directory and the telephone book's classified list.

Now, just as you have missed some products and do not know the uses of all those you can name, so also will others fail to know that your warehouse exists; and, if they do know its outward appearance, and possibly your name, how many of them are ignorant of what use your warehouse may be to them?

You know the answer without trying the test!

In the little town where you were born and ran the alleys in bare feet, you knew, and every other lad knew, every lumber pile of the factories and every scrap pile of the metal working shops (you remember—those places where you picked up slugs). But that was in a small place, not such a city as yours is today—and, today, the lads do not run the alleys; they ride scooters and automobiles on the paved streets.

It is necessary, therefore, that the merchandise warehouse tell its sales story to its own community, regularly and repeatedly, in print.

#### Another Channel

THE second great source of new business for the warehouse is the national distributor who comes into your city to seek a connection. The larger the city, the more of them do come.

For such cities as Chicago and Kansas City this class comprises the big source of new business.

For the smaller cities, these national concerns do not come deliberately. They come only after local sales have sprung up.

Yet there are a certain number of such accounts always "in the air." If you have ever called in person on one of these accounts you will have noticed on the desk of the man whom you interviewed a certain number of familiar books: the commercial registers, the railway guides, the railway equipment registers, the shippers' guides, and *Distribution and Warehousing*.

The traffic department and the sales department are sure to keep an up-to-date file of the last-named publication.

The reason is obvious. It is the only directory of warehouses. The annual directory number and the advertising pages of the monthly issues are the only place to which a distributor can go for the information he requires for selection of warehouse connections.

Moral? Well, you know it, or ought to.

On one such desk—that of a traffic manager in New York whose account you have undoubtedly solicited, because he is known to every warehouseman everywhere—I found the current issue of *Distribution and Warehousing*. In fact, when I entered, he had it in hand and I had a momentary fear that he was about to lambast me for something of mine appearing in the issue. But, following my query, he shot at me:

"I use it all the time to check warehousemen. I'd rather have the monthly than the annual issue, because it tells me the *live ones*! We want to tie up with the fellows who are on their toes. One of the quickest ways to weed out the warehouses of a city is to begin with those which do not carry their 'ads.' through the year.

"Here, I'll show you how we do it."

He called a clerk by his buzzer, asked for some things, and shortly showed me their "work sheets" for three cities into which they were then about to enter for warehouse connections. One of these "work sheets" was a schedule of adver-

tising by warehousemen in the only national medium of the industry. In one city, only one warehouseman met the test and, as he showed the name to me, he said:

"That fellow gets first shot at the account."

He fingered through some papers, and then added:

"And he got it!"

For, in the file was a record of an initial shipment.

#### More Need Now Than Ever Before

BEFORE the end of the year the national advertising of the American Warehousemen's Association will probably break upon the country. The purpose of this campaign, as presented at the Los Angeles convention, is the following:

"1. To present to ALL our prospects—to the presidents, vice-presidents, treasurers, general managers and sales managers, as well as traffic officials—the facilities and services offered by A. W. A. Public Merchandise Warehouses.

"2. To explain the savings in distribution costs made possible through public merchandise warehousing.

"3. To show how spot stocks in Public Merchandise Warehouses will help increase sales.

"4. To sell Public Merchandise Warehouses from an institutional standpoint.

"5. To get inquiries for more information from interested prospects for public merchandise warehouse service."

This campaign, as it goes on year after year, will create much new business for the warehouses, because it will explain the industry to the public. Concerns, and bankers, who never thought of a merchandise warehouse for themselves, will begin to look about for warehouse connections. As they investigate, one of their first inquiries is certain to be for a list of warehouses in the cities where they have distribution.

This list they will obtain exactly as you would get a list of manufacturers of lift-trucks or insecticides or chain hoists. You know the way without my telling it.

For the warehouseman, therefore, who wants new business, there is more need today than ever before for advertising, continuous and repeated, and with the story of what you have to offer.

One specialist in advertising has a theory that any advertisement "should raise its voice a bit, quite a bit. In order to be heard he should yell a bit."

Proceeding with this theory, he says: "I have learned that the loudest shriek, above all the din of the others, wins out. Let the others, who are also yelling, be shocked at the vulgarity of the one who out-yells them. It does not matter; for they are the only ones who are shocked. The public does not recognize the difference. The public knows only that all advertisers are yellers, and that it heard only this particular one."

One effective way, therefore, to share the new business for warehouses is to advertise and keep everlastingly at it. It pays.

(Concluded on page 43)



# MOTOR FREIGHT DEVELOPMENTS

**F**OR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By PHILIP L. SNIFFIN

## THIS MONTH

### *How the "Trouble Shooter" Contributes to Truck Maintenance. Personnel Meetings Will Effect Economy*

**M**OTOR truck design has advanced so rapidly in the past few years and the changes have been so pronounced, that it has lately become a question of much discussion as to how well the average warehouse owner is keeping pace with this progress in his motor truck department.

New developments in truck design call for new methods of truck maintenance and for new appreciation of how the warehouse owner can utilize these ideas and new methods to his own best advantage.

Speaking a short time ago before the Pennsylvania section of the Society of Automotive Engineers, J. F. Winchester, supervisor of motor vehicles for the Standard Oil Co. of New Jersey, gave it as his opinion that maintenance was not standing still while truck design improved; that, on the contrary, methods of repairing chassis units and the types of equipment designed for this work had advanced with chassis design.

Mr. Winchester, who has himself more than 3000 trucks to take care of, is a strong believer in the economies and more satisfactory service which are to be derived from proper maintenance methods. He recited many instances to illustrate the point that all truck own-

ers, large and small, could benefit materially by new methods of maintaining their vehicles.

He told of present-day bearing equipment which has reduced the time of fitting a set of main and connecting rod bearings from 35 hours a few years ago to from 13 to 14 hours; of hoists and other handling equipment which have greatly reduced the labor involved in removing and replacing units, and so on with the other items, including painting equipment which has cut down the cost of painting and reduced the idle truck time.

Taking up each of the chassis units, such as engine, transmission and axles, he compared present cost of an overhaul with the 1922 figure, and indicated that savings of some 40 per cent running to 60 per cent in some cases had been achieved.

In a fleet maintenance budget running into six figures, these savings are impressive. They are no less important to owners of smaller fleets. Which suggests the idea that it might be worth while for every fleet operator to take stock of his maintenance methods and equipment. No progressive fleet owner can afford to neglect developments—time and money-saving developments—such as have been evolved in the field of maintenance.

#### *Enter the "Trouble Shooter"*

**O**NE new idea in truck maintenance about which every truck user should be posted is that of the "trouble shooter." A new position has lately been created in many delivery department staffs—that of a mechanic who works with the repair crew in correcting difficulties during the early stages.

Trouble shooting is a branch of truck repair work which appears mysterious to a beginner or a driver not mechanically trained. Watching an expert mechanic or inspector at work, the tyro marvels at the seeming ease with which one trouble, of a host of possible faults, is located and corrected. Asking mechanics how they do it does not bring forth much information, because many

who are wizards at shooting trouble cannot explain their methods to others.

Experienced trouble shooters get all the information they can from drivers before trying to start an engine. The driver's observations are valuable if he knows the meaning of what he sees and hears. Popping back in a carburetor means lack of gas; sudden dying of an engine suggests ignition failure; lack of oil shows up in reduced power and a distinctive "dry" sound.

With this information at hand, perhaps the trouble may be located at once. If not, the next move is to try to start the engine. The action of the starter, if any, will tell much. In case nothing happens when the starter switch is closed, there is no current in the battery, or the current is not producing any re-

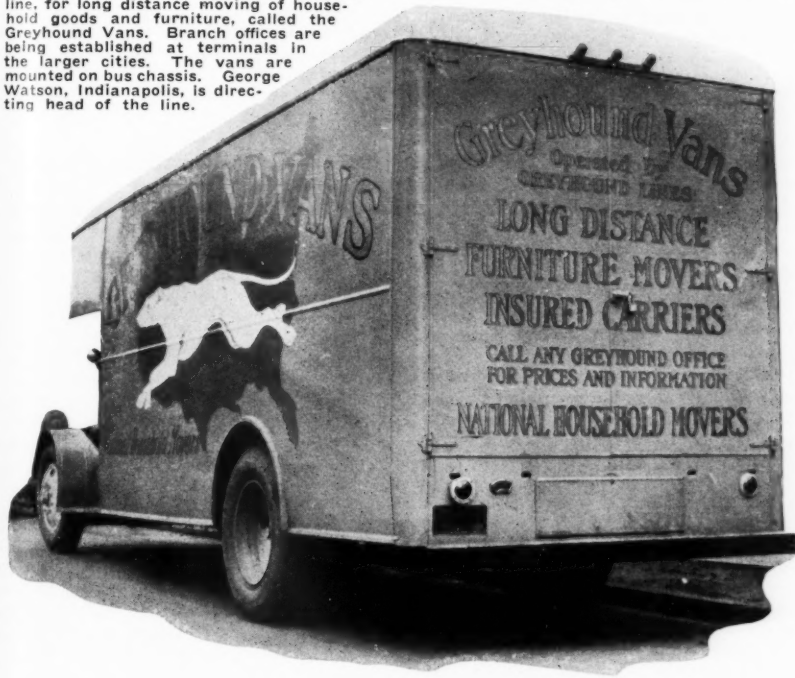
sults. Battery condition is tested by turning on the lights, and closing the starter switch again; if the lights go out, the trouble is probably at the battery. A loose ground connection which makes contact at times and not at others may cause no end of trouble. A whir or grunt, without the engine turning over, when the starter switch is pressed, indicates that the starter gear is stuck in the flywheel. The gear may be loosened by turning the flywheel backward in many cases; in others it is necessary to take the starter off. Towing an engine in this condition is expensive; the starter shaft may be bent, teeth ripped out of the flywheel, or the starter mounting broken.

Compression, ignition and proper mixture of fuel and air are three essentials

for engine operation. While compression may gradually decrease over a long period, it usually does not fail at once. However, a check of compression by cranking is useful because it reveals also mechanical troubles and broken parts. Loss of compression in one cylinder may have no other effect than cutting that cylinder out of action. An inlet valve which leaks badly may interfere with the operation of other cylinders. In fact, a warped inlet valve, due to too close adjustment of tappet, may cause erratic action of the engine, which is puzzling because it may be blamed on the ignition.

Trouble with ignition may be the result of sudden breaking of wire or some part or it may be due to natural wear, as of breaker of points. If an engine is apparently running all right when it is stopped and cannot be started again,

The Motor Transit Management Co., Pittsburgh, has placed in operation a motor line, for long distance moving of household goods and furniture, called the Greyhound Vans. Branch offices are being established at terminals in the larger cities. The vans are mounted on bus chassis. George Watson, Indianapolis, is directing head of the line.



both ignition and fuel should be checked.

An engine can operate with a mixture which is far from correct. There is not so much leeway on the lean side but there is on the rich side. Mere variation in mixture seldom causes a stoppage on the road. In fact, lack of fuel at the carburetor is the first thought when trouble is traced to the carburetor.

#### Keep Your Staff Posted

**A** CONDITION which prevents many truck owners from benefiting by new maintenance is the natural reluctance of drivers, mechanics, and the rest of the delivery department personnel, to take interest in these new methods. Many concerns overcome this by holding conferences or meetings, of the entire staff, at which time these developments are discussed.



The household goods department of the Rucker Bonded Warehouse Corporation, Greensboro, N. C., has added to its fleet the van pictured above. The chassis is a 3-ton GMC specially built and reinforced to carry the van body. The body was designed and built by the Carolina Body Co., Greensboro. It is constructed of white ash covered with Plymetl panels. Its capacity is 1060 cu. ft. The vehicle is for long distance work.

fering with delivery schedules, the subject promptly becomes one of investigation. As all departments involved are represented, buck-passing is avoided and an accurate review of all the facts in the case is made possible. The question, "What was the cause?" is the basis of the examination. Was it a case of driver neglect in failing to make daily reports? Was it careless inspection or shop neglect? Was it poor supervising? Was it overloading, poor driving or severe conditions?

In this way all factors which might contribute to the cause are singled out and thoroughly examined. By the time the cause is revealed all have become familiar and conversant with the case, as a consequence of which ideas for correction easily suggested themselves.

In the same manner the success or failure of methods devised during previous sessions are discussed, and if necessary the methods are revised until a satisfactory plan is evolved.

As a case in point, various methods were attempted to induce the men to report promptly for work in the mornings. Finally it was decided to penalize the men for each offense by deducting \$1 from their monthly bonus. The idea was discussed and put into effect. It brought the desired results.

#### Meetings Reduce Accidents

**ACCIDENTS**, and anything pertaining to them, frequently feature the sessions of such meetings. To emphasize the value and importance of having drivers make immediate report of all serious injuries in which trucks are involved, an interesting case of recent occurrence was brought before a meeting in one concern to show how promptness in dealing with a liability case probably averted a suit for heavy damages.

In the case in question a truck was following another vehicle on which a young boy was stealing a ride. The boy unexpectedly leaped from the truck into the path of the oncoming one and was injured. The driver promptly 'phoned in to the office, after delivering the boy

These meetings, in the writer's observation, are very much worth while, for the small fleet owner as well as the largest concern. They provide, best of all, a check-up of the way in which a maintenance system is working out, and they give an opportunity for keeping the complete staff posted on the newest trends of thought. Economy in the operation and maintenance of the fleet, reduction on customer complaints, better coordination among departments, and accident prevention, are among the main accomplishments resulting directly from these meetings.

Any problem pertaining to the well-being of the company is acceptable for discussion at these meetings. If, for example, it is reported that a breakdown occurred, since the last meeting, resulting in costly repairs or seriously inter-

to the hospital, giving all details at his command. The company immediately sent out one of its representatives who discovered that there were no witnesses, that the accident occurred in a foreign section, and that the liability was not that of the company. The case, however, was settled that evening for a nominal sum of \$50, which of course was accompanied with a release.

It was pointed out that if this case had gotten into the hands of unscrupulous lawyers, probably a very serious case against the company would have been developed.

The company requires prompt action on the part of its drivers in connection with the reporting of accidents.

Drivers reporting breakdowns on the road are required to give full details to the superintendent of the shop. To illustrate, a driver recently 'phoned to the shop superintendent and explained that he couldn't make the ramp and that the clutch was slipping. From this information the superintendent was not only able to decide whether to send the service truck or a towing truck, but was equipped with the necessary information to see to it that the service truck was supplied with the necessary parts and equipment to make a clutch repair.

The following instance is interesting from the standpoint of better operating efficiency and customer attentions:

A truck broke down and the driver 'phoned the shop. A trouble car was sent out and the truck was put back into service within two hours. This was excellent work as far as the service was concerned, but during the two hours the customer who was waiting for the goods called the office three times, asking where the shipment was. He was told that it was on the way. The office did not know that the truck was disabled for two hours. The shop did not know, as the office did, that another truck was available within a short distance to take the load.

All truck tie-ups are now reported to the office by the shop, as the result of discussing this incident at one of these weekly conferences.

#### Other Advantages of Meetings

**B**ESIDES serving as a meeting place for the thrashing out of specific problems, these councils have the effect of stimulating an interchange of ideas bringing about a better understanding of each other and one another's job and preventing misunderstanding between departments due to ignorance.

As an instance of how suggestions are frequently made and plans developed at these meetings, the writer recalls an instance, in one firm, where a foreman, after making a study of the company's accident experience, submitted a plan for paying the men a bonus of \$5 a month for non-accident operation and for satisfactory all-round performance. He recommended that the company discontinue its full coverage property damage insurance and provide \$50 deductible, and that part of the difference in premiums

be spent in the form of a bonus. After the idea was submitted suggestions were requested, details were discussed, and the present plan evolved.

Under the plan each driver starts each month with a credit of \$5, from which is deducted all penalties for infractions of rules incurred through the course of the month. A list of rules showing the penalty numbers and the amount of the penalties is available to the drivers. Moreover, a monthly bonus chart, posted on the bulletin board, is maintained so that the day-to-day record of each driver is revealed to all. Penalties noted opposite the name of a driver are described in greater detail on a typewritten sheet which accompanies the chart.

The results of this particular plan have been most satisfactory. The average number of accidents a month has been cut in half. Concerning the plan, an officer of the company recently said:

"Another healthy condition resulting directly from the establishment of our accident-bonus plan is the bettering of our accident-experience rating in so far as liability cases for personal injuries are concerned. The general campaign for safe driving has already cut our damage claims, which, of course, will eventually result in lower premiums of our liability insurance.

"By reason of our bonus plan and new insurance set-up we also benefit by a psychological advantage. Under the deductible insurance plan the financial responsibility of accidents is brought directly to our attention. Under the old plan there has been a tendency to examine the cases, unless preeminently flagrant, rather perfunctorily, dismissing the matter with the thought, 'Well, we are covered.' While the payment of all insurance claims, whether paid directly by the insurance company under the full coverage plan or by our company under the deductible plan, represents controllable elements, of expense, the financial similarity of both types is more or less obscured. Now, however, the similarity is not obscure, with the net result that we scrutinize all bills to cover damage claims carefully. The details of all cases become a direct matter of interest to us, as we must make individual payments on all property claims immediately and not in the form of premiums to be paid later.

"Just as soon as we receive an investigator's report from the insurance company, the matter is checked up immediately. The driver's report is examined, to see whether he reported the case properly. The accident is studied in an effort to devise means to prevent repetition of a similar accident. And finally the driver involved is subject to an examination on pay-night and on his own time. A traffic court hearing is held at which the responsible driver alone is attendant. If responsible, the driver loses his bonus, a repetition may mean dismissal, and this affair is posted on the bulletin board, where it will come to the attention of his fellows."

#### Ohio Bills Affecting Trucks

**A**MONG the measures enacted by the Ohio Legislature before it adjourned (in addition to ones reported in the June issue of *Distribution and Warehousing*) are the following:

Senate Bill 185, known as the Wise bill because introduced by Senator Wise. This increases to 12 tons, from 10, the maximum gross weight allowance on motor trucks, and the axle limitation to 18,000 pounds, from 16,000 pounds, on vehicles equipped with pneumatic tires.

Senate Bill No. 258, known as the "reciprocal relations law," which exempts motor vehicles owned and licensed in other States from having to carry Ohio license plates, providing such other States extend the same privilege to Ohio owners operating in those States.

Amended Senate Bill No. 66, sponsored by Senator Carpenter, repealing the old Pense law dealing with rates of certain public utilities. It eliminates for motor transportation companies the requirements of filing inventories of property valuation, lengthy statistics of cost and operating accounts, advertising, and delays in raising rates.

#### Diamond T Prices Reduced on 2½ and 3-Ton Models

**A**NNOUNCEMENT is made by the Diamond T Motor Car Co., Chicago, that its 2½-ton Model 502 has been reduced to \$2,675 for the chassis at the factory and its 3-ton Model 601 to \$3,510 for the chassis. The two have been placed on a volume production basis which, with a new merchandising plan, makes it possible for the company to offer them at prices hundreds of dollars below their previous listings.

"This is a revolutionary step in sales policy in the truck industry," according to C. A. Tilt, president. "Trading margins and artificial used truck valuations have been discarded in favor of a sane and businesslike basis for selling modern motor truck transportation. Diamond T dealers have unanimously subscribed to this new policy, and in so doing have taken a definite forward step in motor truck merchandising. We believe the entire truck industry will profit by this new plan because on any basis of analysis, it is fundamentally right."

#### Gramm Plans Four New Models

**F**OLLOWING the two "imperial" chassis which were brought out for warehousemen and long distance operations and which were introduced at the Kansas City show, the Gramm Motors, Inc., Delphos, Ohio, is working on four additional models, in capacities of 1½, 2, 2½ and 3 tons and involving new designs.

R. K. Morgan has been made vice-president in charge of sales, with the national general sales offices at 646-652 East Woodruff Avenue, Toledo, Ohio. Mr. Morgan was formerly with the Federal and Willys-Overland companies.



# WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of *general interest* to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

## *Trade Cooperation Can Be Made the Modern Wonder Worker—Some Examples of How It Is Being Done by Some Associations Today*

By JOHN T. BARTLETT

"GREATER Movie Month" was the designation given in a middle west community to a movie theater's promotion idea. A local association of warehousemen turned the situation to account.

The promotion idea was a good one. During the month every customer buying of the theater's advertising would receive coupons entitling the user to a 20 per cent discount on movie tickets. Large newspaper advertisements were run by the theater giving list of advertisers.

Acting as an association, the local warehousemen got a price for slide space and the coupon privilege far below that which any single member would have to pay, acting as an individual. As a list of all association members appeared in the slide advertising, exactly as great benefit was derived as the individual advertisers would have got.

Cooperation had paid again!

Another warehousemen's association has introduced a plan for dealing with delicate questions.

Every trade association member knows the atmosphere which steals over a friendly gathering as Jack Jones jumps to his feet and begins a hot attack on an unnamed member—or named—for alleged unethical conduct. Jack Jones, typically gets on his feet and delivers blow for blow. Sometimes the discussion becomes five, six or seven-cornered. And it is all too easy for the whole to end with animosities started, and no constructive gain.

The idea of this association is to conduct when such a topic is brought up, an investigation lasting over a number of meetings. The president, to begin with, is a man in whom every one has confidence. That is the kind of man the local warehousemen's association should make president.

Suppose there have been complaints that members of the association are careless in credit situations. An investigation, in which members participate in an ingenious way, is carried out. For the next meeting the president appoints an unidentified member who, in turn, secures an operative. This person calls on all members of the association in the guise of a prospective customer and asks for credit. He takes notes very carefully on each interview and writes up a report.

The report tells for each exactly how he was met, what questions were asked, whether credit was granted

at once, or decision was postponed, what the final result was.

Duly, in meeting, the president reads the entire report.

For the next meeting another member, secretly, is selected to secure an operative.

The same plan has been used for various subjects of a delicate nature—things upon which, undoubtedly, certain members needed to be educated. When a series of investigations is reported and names are spoken right out, the individual warehouseman has ample opportunity to learn exactly how his practices compare with those of his competitors. A fine sportsmanship spirit usually is manifested toward the report. Members who need to mend ways need no further suggestions—they quickly do it of their own accord, now convinced of the desirability.

How are operatives secured? A great deal depends, of course, on the nature of the subject. In a trade where competitive bids are found a potential customer is secured. He simply visits all members and talks business. For the credit investigation mentioned, help can usually be secured of the local credit bureau manager.

Investigations of this sort are made of maximum value as the operative, submitting his report on main topics, is allowed to make impartial observation on salesmanship and service. How long each has to wait for attention, how courteously and skillfully he is dealt with, who would have made the sales on the basis of salesmanship alone, other things being equal—these points can be gone into.

A progressive investigation of this sort, carried on by members of the trade removes a "hot" topic from the arena of personal dispute and argument to the field of cold investigation and research. When the inquiry is carried out in the stipulated manner, with absolute secrecy and respect for confidence, nothing but good can accrue.

Members of another association have, as an association, contributed liberally to all local charitable projects of merit. When an individual member is approached his reply is that the association will make a joint contribution.

The joint contribution helps to sell the association to

the town inasmuch as, clearly, it has a sense of responsibility and obligation in problems of civic welfare.

One of the problems which the trade in another city had to contend with, year after year, involved two marginal warehouse businesses. No owner could seem to make them pay, yet each owner could find a buyer. These businesses were variously responsible for price cutting and other trade evils.

Within a local association, members got together and organized a pool. The pool, it was determined, should buy out first one, then the second, of these troublesome enterprises. Of course, the right time would be waited.

One business was bought out and operated until an opportunity was found to lease the premises to an altogether different type of business. Then the business was closed out.

The second business is still operated, in the hands of a manager. Strangely enough, with back of it the collective judgment of the pool, working through an employee, the business pays!

Another association employs on a year-to-year basis a trusted accountant. To this man's office is turned in by each member, monthly, a detailed statement of operating results. The accountant averages all these and makes a "common figure" report which is sent to each member.

Whether sales are going up or down, in general, in the community appears. How each individual business, in respect to costs, checks with the local average is shown. In fact, the individual member has opportunity to put all his principal tests against average results.

Is this beneficial? Every member declares so with

enthusiasm. Most can tell of concrete improvements they have effected, following discovery that their figures were out of line with other concerns.

Still another association has started an exchange of experience with "unsatisfactory" customers. In the category come people who make unreasonable complaints, dispute accounts on the basis of doubtful claims, such as failure to receive, or shortage, and others who arouse suspicion in one way or another way. The warehouse business is like other businesses—a dishonest person can take advantage of it.

However, if there is exchange of experience and the concern which has had unsatisfactory dealings reports to the secretary, to be broadcast to all, the "crooked" individuals are soon known. All can be prepared against them.

The opportunities for cooperative work of wonderful return are endless, it would seem.

Here, for example, is an association which holds "get together" meetings with members of the trade in adjoining communities. Usually there are "eats" and a principal speaker. Then there is a get-together of discussion. Discussion, meeting of intellect with intellect, exchange of opinion and experience, have been brought about by the trade cooperation movement of the warehouse business, of the greatest benefit. Business men cannot get along in 1929 without ideas, and ideas come with free intercourse with others in the same trade while an atmosphere of friendship and visual confidence develops.

Trade cooperation is the modern wonder-worker.

### Chicago Furniture Warehousemen May Establish March-to-May and August-to-October Moving Tariff With Lower Rate in the Other Months

**M**EMBERS of the Illinois Furniture Warehousemen's Association at their May meeting at the Traffic Club in Chicago on the 20th discussed and approved House Bill No. 460, which, pending before the Illinois Legislature, amends the State Act which regulates the business of storing personal property for hire.

Under the amendment, professed agents of firms actually engaged in warehousing would be themselves required to file certificates with the Illinois Commerce Commission. Also such persons would be forbidden to represent themselves as engaged in warehousing without making known that they are acting as agents of storage firms. Further, use of the word "fireproof" would be denied to warehousemen not operating a building which the Board of Underwriters has approved as being fireproof.

Much of the evening was given over to discussion of the variable moving rate plan initiated by Martin H. Kennelly, Chicago. The association's president, Earl C. Iredale, Winnetka, was authorized to appoint a committee to make a careful analysis of conditions in the moving industry in Chicago.

The committee's purpose will be to gather as much data as possible regarding moving costs, and the volume during the various months, and then report as to the advisability of adopting a variable rate plan which would offer

to the public a lesser tariff during the "off" season. Specific rates were not discussed at the meeting, as that is part of the work of the committee for later recommendation.

It was pointed out by Mr. Kennelly that the practice of increasing rates during the latter part of April and early in May, and around October 1, had been adopted by many of the Chicago companies but that it was merely the result of the general law of supply and demand and had no scientific basis.

The tentative proposal put forth involves putting into effect an established tariff from March to May and from August to October, with a reduced rate during other months.

It was apparent from the discussion that such a plan would have the support of many of the influential members. S. S. David, Chicago, said it would fit in with the work being carried on by the Home Economics Council to spread moving dates throughout the year. It would provide further inducement to the householder to demand a lease which would expire in an "off" season month. Mr. David pointed out, and there would be the added advantage of having something definite to advertise to the public. He believed that the advertising of a lower rate during certain months would have a news value which would bring the industry favorable publicity.

It was indicated that final action, following submission of the committee's

report, would come through the Mover's Association of Chicago, with which the I. F. W. A. companies are affiliated.

Henry Reimers, Chicago, general manager of the Allied Van Lines, Inc., urged the association members to write to their State legislators in opposition to Senate Bill No. 359, which if enacted, would require truck operators entering Illinois from other States to take out Illinois licenses.

Competition which will be inevitably faced by AVL Inc. was emphasized by Mr. Reimers. It was reported that Grayhound Lines, Inc., would soon enter the long distance field in household goods moving. A well established organization with ample capital for advertising and sales expense would provide active competition, Mr. Reimers said, and it could be met only by the closest cooperation by the N. F. W. A. membership.

A special Red Book advertising committee headed by Morrison C. Wood, Chicago, recommended that members advertising in the telephone volume be limited to the following sections: express delivery; fur storage, movers; packing service; piano movers; storage; warehouses. The recommendation was approved.

On the ground that the present headings which allude to fumigating services, exterminating contractors, etc., are misleading, it was voted to ask for a new heading, moth exterminators.

—Willis D. Leet.

SINCE the publication of the list of warehousing's trade associations in the 1929 Warehouse Directory last January there have been a number of changes in the personnel of officers and in addresses, etc., and there have been several new organizations.

The record as of date of January 1, 1929, is on pages 104 and 105 of the 1929 Directory. For the information of owners of the Directory the following changes and additions, as since brought to the attention of *Distribution and Warehousing*, are here set down.

A complete revised list of all the associations will appear in the 1930 Directory next January.

American Institute of Refrigeration  
Exec. Sec., Louis Baron, 570 7th Ave., New York City  
American Warehousemen's Association  
Gen. Pres., Harry C. Herschman, So. St. Joseph St., St. Joseph, Mo.  
Gen. Sec., E. A. Howard Baker, 1700 16th St., Denver  
Pres. of Cold Storage Division, Odin C. Mackey, 178 Atlantic Ave., Boston  
Birmingham Warehousemen's Club  
Pres., Henry C. Goodman, 1125-1127 1st Ave., So.  
Sec., B. E. Sigmier, 1125-1127 1st Ave., So.  
California Warehousemen's Association  
Pres., W. H. Dillon, Salinas  
Canadian Storage & Transfermen's Association  
Pres., Alexander Fleming, 50 Grey Nun St., Montreal  
Cleveland Movers' Association, The Greater  
Pres., H. P. Hemler, 7724 Detroit Ave.  
Sec., Lester H. Corrigan  
Cleveland Van Owners' Association  
Pres., John C. White, 5601 Hough Ave.  
Sec., F. F. Reynard, 11301 Superior Ave.  
Detroit Van Owners' Association  
Pres., L. H. Tanner, 2510 3rd Ave.  
Sec., Arthur Klotzel, 2630 Charlevoix St.  
Exec. Sec., A. N. Morris, 2510 3rd Ave.  
Kansas City Warehousemen's Association  
Pres., Frank M. Cole, Radial Building  
Sec., L. B. Jones, 2114 Central St.  
Kansas Warehouse & Transfermen's Association  
Pres., Earl W. Jones, 815 E. 2nd St., Wichita  
Los Angeles Warehousemen's Association  
Sec., LeRoy D. Owen, 4814 Loma Vista Ave.  
Maryland Warehousemen's Association  
Sec., A. Bernard Heine, 2104-2108 Maryland Ave.  
Memphis Warehousemen's Association  
Pres., W. H. Dearing, 671 So. Main St.

Missouri Warehousemen's Association  
Pres., William A. Sammis, 1427-1433 W. 9th St., Kansas City  
National Furniture Warehousemen's Association  
Pres., James F. Keenan, Centre and Euclid Aves., Pittsburgh  
New Jersey Furniture Warehousemen's Association  
Pres., Frederick Petry, Jr., Canal and E. State Sts., Trenton  
New Jersey Merchandise Warehousemen's Association  
Pres., A. N. Grantzen, Mercur Corp., Port Newark  
New York City: Upper New York Warehousemen's Association  
Pres., Frederick Kohlenberger, 2464 Amsterdam Ave.  
New York State Warehousemen's Association  
Pres., U. C. Leckinger, King and Maple Sts., Rochester  
New York Warehousemen's Association of the Port of  
Pres., H. E. S. Wilson, foot of 14th St., Hoboken, N. J.  
Ohio Association of Commercial Haulers  
Pres., Ray Wagner, Pennsylvania R.R. Tracks and Lowry Ave., Springfield  
Oklahoma Transfer & Warehousemen's Association  
Exec. Sec., Benjamin Wood, 226 Bassett Building, Oklahoma City  
Pacific Coast Furniture Warehousemen's Association  
Pres., Francis M. Brock, 403 So. Central Ave., Glendale, Calif.  
Providence, R. I. Master Movers' Association of Greater  
Pres., Wilfred J. Paquin  
Southern Warehousemen's Association  
Exec. Sec., Sydney M. Green, Jr., 424 Peachtree Arcade, Atlanta  
Texas Truck Owners' Association  
Pres., Don C. Sanders  
Texas Warehouse & Transfermen's Association  
Pres., Walter J. Jenull, P. O. Box 936  
Toronto Cartage & Warehousemen's Association  
Pres., W. Pickard, 359 Church St.  
Sec., C. F. Basil Tippet, 218-228 Front St.  
Washington State Warehousemen's Association  
Pres., Millard Johnson, 310 W. Pacific Ave., Spokane  
Sec., R. R. Mitchell, 2607-2611 2nd Ave., Seattle

### Southern

WITH the opening of an Allied Van Lines, Inc., southeastern office in Atlanta, the following members of the National Furniture Warehousemen's Association signed as either hauling or non-hauling members:

Asheville, N. C., Asheville Transfer & Storage Co.

Atlanta, Cathcart Van & Storage Co., Inc., Cherry Transfer & Storage Co., Inc., Walker Storage & Van Co., John J. Woodside Storage Co., Inc.

Birmingham, Goodman Transfer & Warehouse Co.

Charlotte, N. C., Carolina Transfer & Storage Co.

Jacksonville, Walker Storage & Van Co.

Knoxville, Edelen Transfer & Storage Co., Knoxville Fireproof Storage Co.

Nashville, Herfford-Chadwell Co.

New Orleans, Walker Storage & Van Co.

A committee met in Atlanta on May 25 and 26 to formulate a district tariff.

Each State in the district had one representative on the committee, and mileages, suggested rates, terminal charges, etc., were considered. A tariff was agreed upon tentatively and this was submitted to the AVLinc. headquarters offices in Chicago. A subsequent wire from Henry Reimers, Chicago, the agency's general manager, authorized publication of the rates when finally completed, and AVLinc. operation in the southeastern section was begun early in June.

Meanwhile the association's president, John L. Wilkinson, Charlotte, N. C., has announced that the annual meeting will be held at the Hotel Charlotte in Charlotte, probably between Nov. 5 and 20.

S. M. Green, Jr., Atlanta, the Southern's executive secretary, in making membership-building trips which take in Rome, Ga.; Anniston, Gadsden, Huntsville, Sheffield and Birmingham, Ala.; Jackson, Miss.; Bristol, Richmond and Norfolk, Va.; Charleston, S. C., and Wilmington, N. C. T. F. Cathcard, Atlanta, accompanied him on one of the journeys.

The Independent Warehouse Co., Inc., New Orleans, has been elected to membership.

—J. H. Reed.

### Mackey Head A. W. A.'s Cold Storage Division

ANNOUNCEMENT is made on behalf of the cold storage division of the American Warehousemen's Association that Odin C. Mackay, manager of the cold storage department of the Quincy Market Cold Storage & Warehouse Co., Boston, has been elected the division's president.

Mr. Mackay succeeds Nimmo Old, Jr., of Richmond, Va., who was elected to the office at the American's annual convention in Los Angeles last January. Mr. Old resigned to become identified with banking interests. He was secretary, treasurer and operating executive of the Merchants Cold Storage & Ice Manufacturing Co., Richmond.

The annual Warehouse Directory is the recognized reference book of the industrial sales and traffic manager.

### Massachusetts

AT the May meeting of the Massachusetts Warehousemen's Association, held at the Exchange Club in Boston on May 21, Miss Catherine K. Lynn, New York manager of the Allied Van Lines, Inc., the inter-city removals agency of the National Furniture Warehousemen's Association, outlined the development, purposes and accomplishments of AVLinc. During its first nine months of operation it did a gross business of between \$800,000 and \$900,000, she said.

Olin M. Jacobs, Boston, the secretary, reported regarding the Chambers of Commerce convention, which he attended.

Associate memberships from allied lines were discussed and were referred to the executive committee.

It was voted to send a letter to Massachusetts representatives in Congress against Government competition with private business by offering free storage in connection with Federal barge line operation.

George S. Lovejoy, a past president of the American Warehousemen's Association, and who recently returned from Florida, attended the meeting and was given a reception.

—S. F. Holland.

### Upper New York City

At the recent annual meeting of Upper New York Warehousemen's Association, the Bronx furniture storage trade association allied with the New York Furniture Warehousemen's Association, officers and directors were elected as follows:



President, Frederick Kohlenberger, president Kay Moving Service, Inc.

Vice-president, Godfrey, Santini Bros., Inc.

Secretary, Charles H. Rix, president Charles H. Rix, Inc.

Treasurer, William A. Santini, treasurer Dayton Storage Co., Inc.

Directors, George Kinderman, president Julius H. Kindermann & Sons, Inc.;

J. H. Coughlin, manager Lee Brothers, Inc.; Anthony Cuneo, president Cuneo Storage Co., Inc.; Louis Cella, president G. Santi & Co., Inc., and Peter Petrone, Bronx Van Co.

### Ohio Valley Truckers

Commercial haulers in southern Ohio, northern West Virginia and eastern

Kentucky met in Portsmouth, Ohio, on May 14 and organized the Ohio Valley Truckers' Association to exchange information regarding routes, return loads and legislation.

T. L. Wall of the Warner Wall Transfer Co., Portsmouth, was elected president; and W. J. Scherer, Wheelersburg, Ohio, secretary.

## Legality of Notifications Printed on Warehouse Documents

(Concluded from page 22)

are governed by practically the same rules of the law. It is generally conceded that the important difference between a written and an oral contract is that the parties must introduce convincing evidence to prove the contents of an oral contract, whereas the Courts construe a written contract *strictly* in consideration of the written words. However, verbal promises or agreements have absolutely no effect to vary the meaning of a written contract, unless it is shown that such verbal promises were made fraudulently to induce the other party to enter the agreement.

As a matter of fact, many litigations have been instituted by parties who do not know that ordinarily the Courts will not permit the introduction of verbal testimony to vary the meaning of a written contract. These persons invariably lose the suits, unless the reason for the testimony regarding oral statements is to prove fraud, unavoidable mistake, and the like, or to explain the meaning of ambiguous or uncertain meaning of parts of the agreement. (285 S. W. 558).

Therefore it is well established that a verbal agreement cannot vary the meaning of a valid printed notification.

For instance, in a recent case (133 Atl. 391) it was disclosed that two parties signed a written agreement, dated Feb. 28, having a printed condition therein which specified that the contract should be fulfilled "as soon as con-

venient." Later one of the contracting parties filed suit, contending that when the agreement was signed the other party verbally promised to fulfill his obligations not later than the following day, March 1, when in fact he had delayed until March 10.

However, in view of the location of the printed notification, the Court held the notice valid notwithstanding the alleged verbal promise.

### When Law Affects Notifications

**O**BVIOUSLY a printed notification cannot be utilized to assist the user to avoid any established common or statutory law.

For example, it is well established that a common carrier is liable as an insurer for the loss or damage to transported goods, except as the result of an act of God, an enemy of the United States, or the inherent quality of the goods. Therefore a common carrier may not limit its legal liability by notices printed on bills of lading.

The same is true with respect to notices by which common carriers endeavor to reduce their liability for an unreasonable delay in transporting shipped goods as a result of strikes, etc.

Neither may a warehouseman reduce his liability for injuries negligently inflicted his employees, because it is contrary to public policy to do so.

The same law is applicable with re-

spect to printed notices on warehouse receipts by which a warehouseman endeavors to reduce his liability for damage or loss of stored goods as a result of his or the employees' negligence.

On the other hand, a warehouseman may reduce his liability to a stipulated amount *per package*, by means of a notification printed on a receipt *signed* by the owner of the merchandise.

For illustration, in *England v. Lyon Storage Co.*, 271 Pac. 532, a lower Court held a warehouseman liable for \$4,000 damages for loss of stored goods by theft although the owner had signed a receipt limiting the warehouseman's liability to \$25 a package. However, the higher Court reduced this judgment to \$475, and explained that a warehouseman is protected by the terms of a receipt of this nature, unless it was proved that he had been informed that the value of the goods in the boxes was more than \$25 a package, or was negligent in safekeeping the stored property. This Court explained important law, as follows:

"The owner of goods who signs a warehouse receipt for their custody will ordinarily be bound by the express terms and conditions of his contract. . . . But a warehouseman may not limit his liability for damage or loss of goods stored with him for hire, so as to exempt himself from damages resulting from his own negligence, nor to relieve himself from the exercise of ordinary care."

## Philadelphia's Terminal Structure Described in "New Buildings" Series

(Concluded from page 23)

It is on Broad Street, Philadelphia's principal artery for north and south bound traffic, and is only one square south of Spring Garden Street, the city's main artery for east-west traffic. It is only a five minutes' walk to the principal rail passenger terminals, and only a six-minute drive to the Delaware River Bridge."

The structure will rise directly over the Reading Railroad tracks and, upon completion, the track-level floor will be utilized by the Reading as a modern freight station. The tenants in the building will be able to ship and receive carloads and less than carload freight, eliminating all trucking to and from freight stations.

The building will be divided into an office and display section and a warehouse section. The office and display space will

front on Broad Street and will contain an area of approximately 350,000 square feet. It will be equipped and as modernly appointed as any of the other new centrally located office structures.

The warehouse section, to contain about 1,200,000 square feet, likewise will be as modernly equipped as any of the Terminal company's new warehouse plants in the vicinity of Delaware Avenue and Sping Garden Street.

The terminal will contain a garage of sufficient size to accommodate 600 automobiles. Thus a tenant drives directly into the building, leaves his car in a space allocated for his use, goes through a fireproof door into the passenger elevator lobby and is taken to his office floor in the space of a minute or two.

The truck-loading facilities of the terminal will be sufficient to permit 140

large-size motor trucks to load and unload at one time, and, on the track-level floor it will be possible for seventy-two carloads to be handled simultaneously.

The building will be of steel and concrete construction, with all exposed surfaces covered with brick, the Broad Street section being a combination of ornamental brick and terra cotta.

Already a great deal of the space has been leased.

### Dallas Blaze

Fire caused property damage estimated at about \$15,000 in the storage building of the Dallas Storage & Warehouse Co., at Young and Lacy Streets, Dallas, in May. The blaze, of undetermined origin, was discovered on the second floor.

## The Family Album Presents Sketch of E. C. and H. B. Lyon

(Concluded from page 24)

the chain organization.

Upon the scene in 1906 burst Harvey B. Lyon, fresh from the classic campus of the University of California. Mr. Dimock had no such vision of the future of the furniture warehousing industry as the Lyon boys had, and one day he said to the younger brother:

"I'll give you an option on my share of this business for two weeks for one dollar."

"Here's the dollar," said Harvey, and went home, where he borrowed \$4,000 from his mother, who mortgaged her home to lend it to him.

With this \$4,000, and \$1,000 he had earned and saved, he bought one-half interest in the Lyon-Dimock firm—today the Lyon Storage & Moving Co., Inc., with a capitalization of \$250,000 and property worth at least \$200,000 of that.

That is the story of a lad who rubbed the golden lamp with a one-dollar bill—a boy with as much experience in warehousing as he had had in aviation.

Up to 1909 these two "storagers" were content with two iron buildings. Then they erected the first, and for many years the only, concrete fireproof warehouse in Alameda County. In 1917 they built and opened the present brick, concrete and steel headquarters plant at 3400 Broadway. Its clock tower, with a clock which is guaranteed not to vary a half-minute a month, is a modern landmark visible from miles distant. Thousands of commuters from Oakland, Berkeley and other points to San Francisco set their watches by it every day.

"Ed" Lyon says the sun hesitates each night for a moment, before it sinks through the Golden Gate to become the Light of Asia, to look at that clock to see if it is on time. He has been president of the Oakland Chamber of Commerce, and, as you know, California chambers of commerce inculcate the truth in all their officers.

However, it was Harvey, now the firm's president, who designed the present fine building, with the result that he reduced the actual "lost" or waste space from the usual 40 per cent to less than 20. The structure has five stories and a mezzanine, with 30,000 square feet of storage space, with offices on the first floor. In the windows stand huge lions—marble, bronze, copper and papier maché—some of them so lifelike that the company's slogan, "Let Lyon Guard Your Goods," seems actually carried out. Besides this plant, the firm has two warehouses of concrete and one of iron, centrally located in Oakland.

But warehousing is not the only activity of the brothers. Harvey has been president of Oakland Rotary, the third organization of its kind formed anywhere and which is claimed to have led the Rotary world in attendance, for clubs of more than 200, for eight years. He is a past president of the Alameda County Draymen's Association; a director of the Pioneer Boy Scouts; secretary of his

class (University of California), 1905; orator of Aahmes Temple of the Shrine; and a trustee of the First Baptist Church of Oakland. And in the storage industry he has served as president of the Pacific Coast Furniture Warehousemen's Association.

Big Brother E. C. Lyon—and there is many a young fellow in Oakland who calls him that—has been a president of the Oakland Chamber of Commerce; for five years president of the Oakland Y. M. C. A.; and was for five years chairman of the board of management of the Y. M. C. A. in Los Angeles. He is a Shriner,

### Position Wanted:

**BY** experienced Warehouseman, Accountant and Office Manager; 15 years' service in the General Storage and Merchandise as well as the handling of Household Goods Storage and Shipping of Pool Cars, etc. Good Estimator; can handle help efficiently and a producer; 45 years of age; married; have family; good references and can qualify for bond.

Address Box R-528, care of  
Distribution and Warehousing, 249  
West 39th Street, New York City

a Rotarian, an active member of the P. C. F. W. A., vice-president of the Oakland Mortgage Co., and a member of a dozen prominent clubs in the city.

And of course the brothers are members of the National Furniture Warehousemen's Association.

I caught the Lyon brothers in a corner in their office not long ago and inquired, "What's the answer?"

"Answer to what?" they duetted.

"All this," with a wave of the hand taking in all the surroundings.

"Hard work," they replied simultaneously, in the best of chorus voices, for both are good singers.

And then Harvey took the solo part just as naturally as he would take an order to store a fifteen-room house.

"Original ideas in keeping our business before the public helped a great deal," he sang. "That staying in the public eye got the people's confidence. Our persistent idea has been to put ourselves in the customer's place. When the warehouseman does the best thing for the customer every time, he very soon finds that it pays every time. We have tried to make good on every promise, even if it costs us money. We take the time, and the money, if necessary, to leave the customer satisfied, and he is a better advertisement than we can buy through any other means in the world."

"The proof of the success of this system is that a very large and steadily increasing part of our business is repeat-orders. These come from customers we have served in the years our name has been connected with the furniture warehousing industry. And a very large part of our customers of today come to us as a result of the satisfaction we have given

## Haring Talks Advertising in "New Business" Article

(Concluded from page 35)

### Essentials of the Good Advertisement

**I**N writing your advertisement it may be well to remember the seven essentials of the good advertisement. The seven qualifications of the good "ad." are:

1. An advertisement must be specific.
2. The points made must be definite and supported by definite reasoning.
3. An advertisement must not only state its case but also visualize it.
4. An advertisement should always have one, but only one, dominant idea.
5. It must present that idea in logical form and sequence.
6. It should show the relation of this idea to the product, to the consumer's need, and with other advertisements of the series.
7. The advertisement must SELL, by education, by persuasion, by indirection, or by direct offer. The advertisement, whatever its form, must obviously be a part of a selling effort.

other customers in days gone by. We have tried to make our name synonymous not only with safe storage but with square dealing, and the people remember a long time.

"As an outgrowth of this, we have found that very frequently a little damage to stored goods can be turned to an advantage of the warehouseman if he will take care of that damage speedily, adequately, and with a smile. By making good, he can capitalize on the damage, particularly if he shows the customer that he actually did more than was necessary. We believe that it is legitimate to capitalize friendship, and our friends send us a great deal of business. We have lived here virtually all our lives, and I have had the benefit of a considerable number of friendships made at college. But, above all, we have endeavored, day and night, to make our business merit confidence.

"Both my brother and myself hold ourselves individually responsible for the results of our business. If things go wrong, it is *our* fault—not the fault of chance, or of some one else. Certainly some one has to be responsible, and in every business it is the head of that business who must make himself responsible, if his business is to succeed."

In the old days "Ed" Harvey put in fifteen hours a day each in the business of the Lyon company. That's part of the answer to their success. In a recent year, "Ed" put in half of his time on work for the Chamber of Commerce, and Harvey devoted the same time to work for Rotary; but you may bet that the other half went into the business, and went at top speed. Besides all this, Harvey has three boys, "regular Lyon cubs," he says, who are going to have a chance to follow him in the business of helping California's 150,000 annual immigrants get their lares and penates stored properly and moved safely.

## The First Lady and a Warehouseman



Mrs. Herbert Hoover  
and  
Clarence A. Aspinwall  
together watching the  
play in the Davis Cup  
tennis matches on the  
Chevy Chase Club  
courts recently

Mr. Aspinwall is general  
treasurer of the American  
Warehousemen's Associa-  
tion and president of the  
Security Storage Co.,  
Washington, D. C.

### Change of Name

The recently-organized Fort Wayne Warehouse & Motor Distributing Corp., Fort Wayne, Ind., has filed papers with the Indiana Secretary of State changing its name to the Fort Wayne Central Union Truck Terminal, Inc.

### Keating Bids for Government Terminal

Joseph A. Keating, senior member of J. A. Keating & Co., a warehouse firm in Quincy, Mass., has petitioned the Navy Department for permission to take over the canceled lease on the former United States naval destroyer sub-

marine base at Squantum, Mass. The lease was formerly held by the Victory Terminal Corporation.

Mr. Keating's petition to Washington contained the signatures of many representative citizens testifying to his integrity and business standing.

### Moreland Truck Co. Building Warehouse in Seattle

The Moreland Truck Co. is erecting a warehouse and assembly plant, costing \$300,000, in Seattle to supply its trade in Washington, Oregon and western Canadian Provinces and to the Orient.

### Miss Schwind with "The Furniture Warehouseman"

Miss Merryl Schwind, for the past few years the editorial representative in Kansas City, Mo., for *Distribution and Warehousing* and various other magazines, has discontinued her literary and correspondence work in that city to become identified with *The Furniture Warehouseman*, which, published in Chicago, is the official organ of the National Furniture Warehousemen's Association.

In her work covering mid-west warehousing conventions, including those of the State associations of Missouri, Oklahoma and Kansas, for *Distribution and Warehousing*, Miss Schwind built a wide circle of friends within the industry and obtained a knowledge of warehousing which will be invaluable to her in her new activity.

Miss Schwind was identified with the Western News Service, 527 Finance Building, Kansas City. She is succeeded by Kenneth Force.

### Diamond Absorbs Hinman

The Diamond Transfer & Storage Co., Monrovia, Cal., has purchased the Hinman Transfer & Storage Co., Arcadia, Cal. The Hinman firm has been in business five years.

The Diamond company is continuing the Hinman office at 230 North First Avenue, Arcadia, with L. D. Cady, one of the Diamond's partners, in charge.

### New York Company Buys

Thomas Reilly, proprietor of the Broadway Storage Warehouse, New York City, has purchased, and plans to occupy, a building which covers 10,000 square feet at Amsterdam Avenue and West 156th Street. The property consists of a six-story structure on the Amsterdam Avenue side and a nine-story one on West 156th. The deal involved \$300,000.

## Wilshire Firm, Los Angeles, Tells How It Successfully Solves Rug Storage Problem

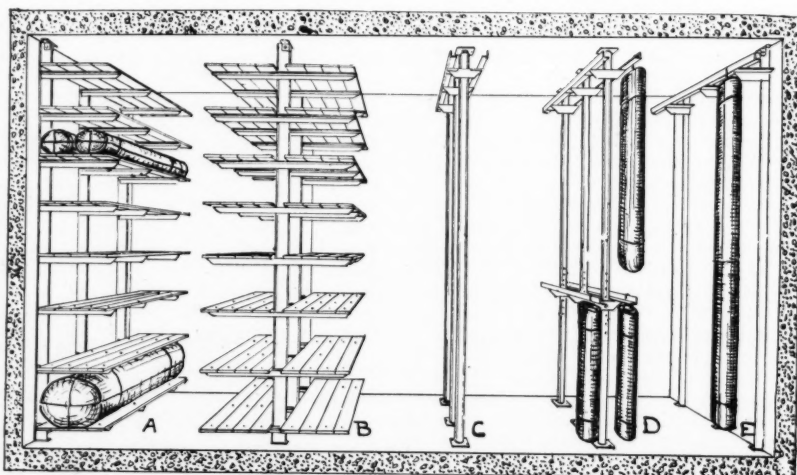
HENRY M. BURGESSON, president of the Wilshire Fireproof Storage Co., Los Angeles, has distributed among household goods warehousemen the above illustration of how the company solved its rug storage problem.

"Any structural iron company with the aid of this drawing would be able," according to Mr. Burgesson, "to construct equipment similar to ours. The system affords utmost protection and availability for stored rugs in a minimum of space."

(A) shows an upright rack, against the wall, with shelves at varying intervals to accommodate short rug rolls of either large or small diameter.

(B) illustrates the same principle applied in the center of the room with shelves on each side of the uprights.

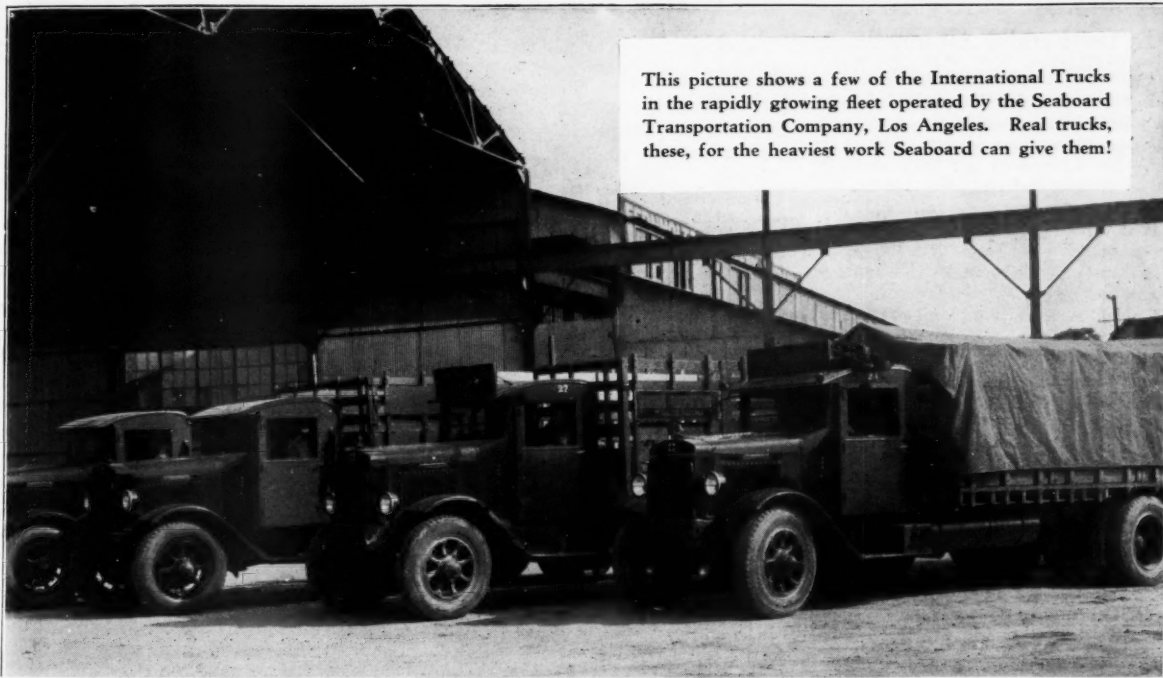
(C) shows how long rugs may be rolled on two-inch wooden poles, hooked on the ends and hung from angle irons in the center of the room.



(D) illustrates the same principle as (C) when applied to shorter rugs.

(E) illustrates the hanging of long rugs from angle irons next to the wall.





## FOR THE BIG JOBS —an International Heavy-Duty Truck

**T**HESE 2½, 3½, and 5-ton Heavy-Duty Trucks are built for the hardest work in the heavy-duty field—built to like it and built to stand the gaff. Their big vibration-free engines and 5-speed transmissions combine to give you great power for pulling through all kinds of hard going, and time-saving speed for getting there and back quickly.

The "Steer-Easy" steering gear saves the driver's energy and keeps him sold on his job. The comfortable all-steel cab protects him from unpleasant weather, personal injury, etc. These features have an important bearing on labor turnover.

The Heavy Duties are *work trucks*, all the way through, yet they present a handsome appearance, attracting attention wherever they go. You'll be proud to have them carry your name and haul your loads.

Company-owned branches at 172 points in the United States and Canada, are ready to show you these big Heavy-Duty Internationals and discuss with you their appropriateness for your work. And they will show you the full line of Speed Trucks—¾, 1, 1¼, 1½, and 2-ton capacities. Ask for prices, equipment information, etc.

INTERNATIONAL HARVESTER COMPANY  
606 So. Michigan Ave. of America Chicago, Illinois  
[Incorporated]

# INTERNATIONAL TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

## Story of J. M. Walker Told In the Family Album Series

(Concluded from page 25)

housing industry in the United States, with plants of his own in various southern cities, he wanted to get back to the farm. He wanted to get back so badly that he bought half a dozen farms.

But that was many years later.

After working in the Memphis furniture store for a while, young Walker set himself up in Oklahoma in the business that made Grand Rapids famous. Then financial reverses took him back to Memphis.

The youth believed that a company handling household goods would do well in the Tennessee city. Anyway, he was obliged to choose a business which required little capital, so he borrowed enough money to open up in an old building on a back street. The rent was \$50 a month, and the entire moving equipment comprised a light wagon and three horses of doubtful origin and capabilities.

After two years of storing and packing and shipping household goods under these conditions he had an opportunity to lease a big building for a long period of years. After he had occupied it for about five years the lease became so valuable that he sold it, and bought the twelve-story fireproof structure which the company now operates in Memphis.

Mr. Walker started his firm, then known as the O. K. Storage & Transfer Co., in Memphis on January 10, 1913. The organization he heads now is the largest of its kind in the South and one of the most important in the United States. Besides the main plant in Memphis, there are warehouses in New Orleans, Louisville, Birmingham, Atlanta and Jacksonville, and there are rumors of still further developments. The managers of these businesses include, in Atlanta, George Sebold, recently for three years president of the New Jersey Furniture Warehousemen's Association; and, in New Orleans, George E. Butler, both widely known in the industry.

Fifty or more huge vans, all specializing in long distance hauling, and some of them units in the Walker Van Line which operates a through service between New Orleans and Louisville, run on an intercity schedule which connects the Walker plants, and the line's president, Mr. Walker, is cooperating in extending the N. F. W. A.'s Allied Van Lines, Inc., into the southeastern section of the country.

The slogan of the Walker company is "We Cover the South." The president, indeed, got into the South at a time when the people below the Mason and Dixon line were badly in need of storage facilities.

"The Lord," Mr. Walker says, "has had an arm around me all my life." But he still believes that a man must get the breaks to succeed. He holds to the opinion also that indecision causes more failures than any other one thing. Always he makes up his mind, and then acts. If

he is wrong, it is just too bad. He is always definite.

Another factor to which Mr. Walker attributes much of his success is a peculiar faculty of surrounding himself with capable employees and business associates. Managers are given an interest in the business in the cities where they operate. They then have a personal reason for making the enterprises live up to the possibilities.

Aside from his warehouses, Mr. Walker has extensive real estate holdings. He has been too busy to play golf, he declares, and he has made farming his hobby. In Arkansas he owns a farm which is one of the section's show places, and he spends all the time he can there, driving a car out and riding a horse after he arrives. The place is known as the O. K. Farm, and it would seem to be O. K. in more than name only, for it produces much cotton, besides prize hogs and alfalfa. He owns and operates also several farms in Tennessee.

At the annual convention of the N. F. W. A. in Del Monte, Cal., past January, Mr. Walker was reelected to serve as a vice-president. He was a charter member of the National, and is affiliated with the Southern Warehousemen's Association.

In Memphis Mr. Walker is vice-president of the Commercial Bank and a director of the First National, and is active head and principal owner of a private investment and banking firm. He is vice-president of the Memphis Building and Loan Association, and a director of the Memphis Street Railway and others of the city's public utilities. He is a charter member of the Memphis Rotary Club and of the Memphis Country Club. Until recently he was extensively interested in the automobile business as a Cadillac distributor. He is a past-president of the Memphis Chamber of Commerce, is a 32d degree Mason, and is an active member of the Methodist Episcopal Church.

In 1903 Mr. Walker married Miss Mittie Knox, and they have two sons and a daughter. John K. Walker, 23 years old, is vice-president of the Walker organizations, and J. R. Walker, 20, also is associated in the business.

Upon learning that he was to have a page in *Distribution and Warehousing's* Family Album of the industry, Mr. Walker commented:

"In reading the stories of men who have been more or less successful in business, in almost every case the story starts out with the statement that this man was born of poor and humble parentage and had a hard struggle with innumerable handicaps.

"Just the reverse is the case with me. While I was not born of rich parentage, I had one of the most wonderful and thoughtful mothers that I have ever known. She always let me know that she believed in me and expected me to make good. Considering the guidance and inspiration of such a mother, I sometimes feel that I have not measured up to what I should. Then, too, my father was a most indulgent and loving parent, and the kind of a father who was a real pal for his son."

## Executives Justify Higher Rates on Unclaimed Freight

(Concluded from page 13)

"I do not think our association would endorse the practice of assessing extra charges against a shipment in an emergency and do not think it would be possible to set up maximum rates uniformly that could be applied, for the reason that the services would vary to a great extent. It is customary to have a minimum charge for cartage and a minimum for storage, which is usually 50c., so if the facts are correct there is no question but that this shipper has been overcharged."—J. P. Ricks, owner Ricks Storage & Distributing Co., Jackson, Miss.

"It has been our policy to take advantage of an opportunity to make a friend. One makes no mistake in showing every courtesy to a customer. The warehouseman in this case was really the shipper's agent even if made so through a third party. Warehouse services should be as nearly uniform as possible. Our handling charge in this case would have been 50c. each way. Our minimum storage charge is \$1. . . . It is hard enough to show manufacturers how advantageous it is to have their accounts handled through warehouses, without having unfortunate circumstances like these come up. . . . I think you are on the right track and if there are any abuses in this line they should be taken care of."—W. A. Gordon, president Gordon Fireproof Warehouse & Van Co., Omaha.

"In the present condition of the industry a warehouseman should use tact, not only with reference to charges but with reference to credits. . . . I doubt if it will be possible for the warehousemen to get together on a basis of fixed rates, for the conditions vary so in the different cities on this class of merchandise which the railroad might or might not turn over to the warehouseman."—S. C. Tooker, Jr., operating executive Tooker Storage & Forwarding Co., Chicago.

"The majority of warehousemen don't expect to gouge and hold up their customers and I cannot conceive of anyone trying to do this when times are as lean as they are now and customers are so hard to find."—R. A. Ford, president Ford Bros. Van & Storage Co., Council Bluffs, Iowa.

## Musselman Heads Business Paper Group

C. A. Musselman, a director of Distribution and Warehousing Publications, Inc., publishers of *Distribution and Warehousing*, was elected president of The Associated Business Papers, Inc., at the fifth spring executive conference, held May 14-16 at Shawnee-on-the-Delaware, Pa.

Mr. Musselman is president of the Chilton Class Journal Co., Philadelphia.

The annual Warehouse Directory is the recognized reference book of the industrial sales and traffic manager.



## Real Transportation Service

ARE YOU buying haulage equipment—or are you buying *real transportation service*?

Profitable haulage for you depends upon—equipment investment, equipment operating costs and equipment flexibility.

Because Fruehauf Trailers will double and triple your motor truck's capacity, the Fruehauf System of Low-Cost Haulage guarantees the maximum return for your haulage dollar.

The smaller as well as the larger operators in all sections of the country, in all lines of transportation, have made *tremendous savings* in haulage costs by using Fruehaufs. Their problems have been analyzed and successfully solved by transportation experts—experienced Fruehauf engineers. This service, with its results, is available to you without cost or obligation.

The coupon or a letter will bring interesting information quickly.

HAUL MORE FOR LESS



Memo to FRUEHAUF TRAILER COMPANY  
10936 Harper Avenue, Detroit, Michigan

Send the interesting data on the Fruehauf System of Low Cost Haulage—without obligation.

Mr. ....

Name of Firm.....

Street Address .....

City..... State.....



## Fidelity, Washington, Asks 1926 Income Tax Reduction

DISTRIBUTION AND WAREHOUSING'S  
Washington Bureau,  
1163 National Press Building.

WASHINGTON, D. C., June 1—The Fidelity Storage Co., Washington, has carried its opposition to an alleged deficiency of \$2,552.04 in income taxes for 1926, assessed by the Commissioner of Internal Revenue, to the U. S. Board of Tax Appeals, in an endeavor to have the taxes in controversy redetermined by the Board.

The storage concern charged in its appeal to the Board of Tax Appeals that the Commissioner erred in fixing the so-called deficiency by failing to allow, as a deduction from gross income for 1926, a reasonable allowance for the exhaustion, wear and tear of the building used by the company in its business, including a reasonable allowance for obsolescence, sufficient to return to the firm the value of the building on March 1, 1913, plus the cost of subsequent additions, over its normal life from that date.

It was explained that the Fidelity building occupies about 20,500 sq. ft. at 1420 U Street, N. W. The structure is nine stories and 80 ft. in height, and was constructed by the company's president, James L. Karrick. The east 60 ft. of the building was constructed in 1905 and 1906. That portion rests on a reinforced concrete foundation, made particularly substantial because of the sub-soil. The brick bearing walls are 26 in. in thickness at the base, diminishing at the top, the inside brick walls being four in. less in thickness, and the floors of concrete. Originally planned as a 90-ft. building, regulations limited it to 80 ft., and the change was effected by lowering ceiling heights, except for the lower and the upper stories, it was said.

There are in the warehouse approximately 1,500 storage rooms, two vaults for the storage of valuable articles, moth-proof storage facilities and other installations.

"When constructed in the neighborhood of 1420 U Street, N. W.," said the petition, "this section was a strictly white neighborhood. The neighborhood has now come to be colored, and the full storage capacity cannot now be filled with high class storage. Full efficiency of operation is not possible because the managing office is at one end of the building, the shipping rooms at the other. The vaults, burglar-proof when installed, do not now give that protection. Planned for the storage of horse-drawn van loads, the construction of the building does not permit the changing of the rooms to store automobile van loads.

"Automobile van loads subject the floors to the greater strain of these loads. The fumes from the chemicals which must be used for fumigation purposes, have, by their corrosive action, reduced the life of the fire doors, and all other exposed metal parts.

"The fair cash market value of the

petitioner's building at March 1, 1913, was not less than \$500,000.

"The normal useful life to be expected from the building from March 1, 1913, considering all factors of depreciation and obsolescence, did not exceed 30 years. The reasonable depreciation in its value in 1926, including a reasonable allowance for obsolescence, was at the rate of 3-1/3 per cent upon March 1, 1913, value.

"The respondent [Commissioner of Internal Revenue] allowed as a deduction from income for the year 1926, the

## For Sale:

WELL established and profitable  
storage business within 75  
miles of New York City.

Owners wish to retire.

Address Box P-427, care of  
Distribution and Warehousing, 249  
West 39th St., New York City.

sum of \$7,312.76, for the depreciation, wear and tear of its building. This allowance was at the rate of 2 1/2 per cent, upon a book value of \$292,510.34," it was said.

The Board of Tax Appeals was urged to hear the case and determine that the company's building had a March 1, 1913, value of \$500,000, and that the firm is entitled to a deduction from gross income for 1926, on account of depreciation and obsolescence on its building, at the rate of 3-1/3 per cent per annum upon the March 1, 1913 value, plus the cost of subsequent additions.

—Michael M. McNamee, Jr.

## Dillon Elected President of the California Association

At the ninth annual meeting of the California Warehousemen's Association, held at the Palace Hotel in San Francisco on May 24 and 25, W. H. Dillon was elected president.

Mr. Dillon heads the Southern Pacific Milling Co., which operates a chain of warehouses at various rural points, including Salinas. He succeeds Merle E. Turner, secretary of the Los Angeles Warehouse Co., Los Angeles.

## Miss Dewey Heads Women's Traffic Club in Los Angeles

Miss Grace Dewey, of the Westland Warehouses, Inc., was installed as president of the Women's Traffic Club of Los Angeles on May 22.

Miss Carrie Hellyer, of the Lyon Van & Storage Co., Inc., was chosen sergeant-at-arms.

Women eligible for membership must be able to handle the many traffic problems of today.

## Quincy Market Co. Earned \$109,967 Net in Past Year

AT the annual meeting of the Quincy Market Cold Storage & Warehouse Co., Boston, on May 21, Charles H. Farnsworth, the president, reported that the net earnings for the year were \$109,967.28. This compared with \$64,606.19 in the previous year, and with a net loss of \$66,953.58 the year before that.

It was announced that Odin C. Mackay, manager of the cold storage department, and Burt R. Gage, manager of the general storage department, had retired from the board. William M. Wadden, Cambridge, formerly a partner in F. H. Prince & Co., was elected a director.

The improvement in net earnings was accomplished "notwithstanding a slight decrease in our gross income," Mr. Farnsworth told the board. He continued:

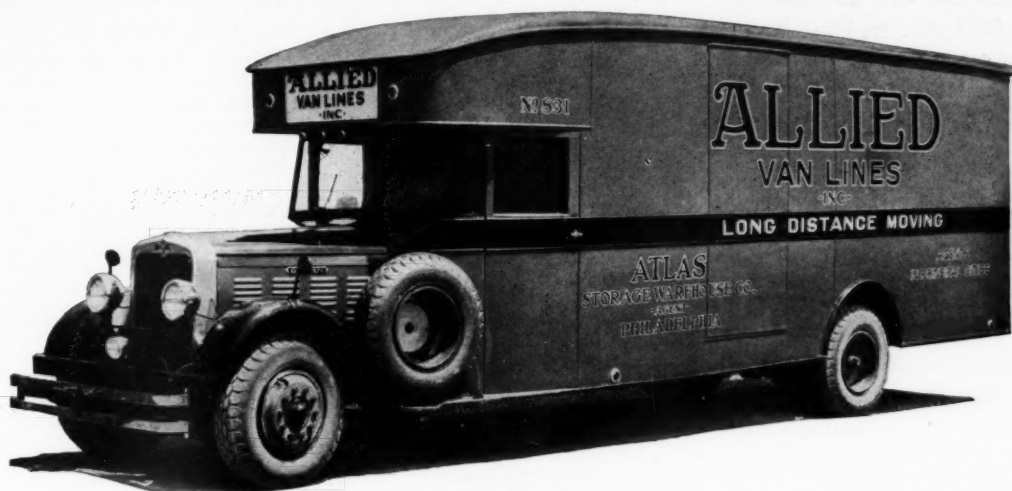
"It is due in part to the completion during the year of the abnormal repairs to our warehouses and the operating savings resulting from the improved physical condition of the property. We expect that operating expenses will be somewhat further reduced this coming year.

"That our gross income should show some decrease this past year is not surprising. The storage of goods is less when commodity prices are high, general business activity great and the movement of merchandise into consumption rapid. A decline in commodity prices and a slowing up of general business activity increases the demand for storage. Thus, the storage business normally improves as and when most businesses decline.

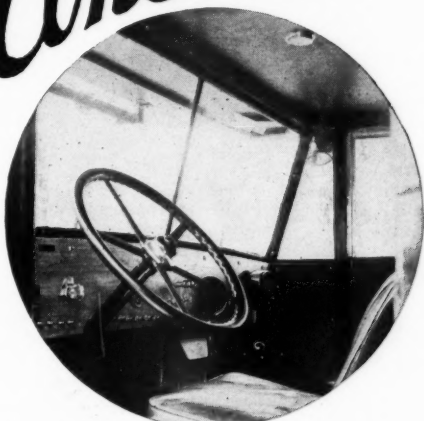
"Our street service income is off about 5 per cent from last year and accounts for part of the decrease in total gross income. We know of no case this year where a separate refrigerating unit has been installed by one of our customers; the decrease is due entirely to consolidations and withdrawals from business. At least one important customer has returned to our service after a few years' experience with an individual unit. Our brine losses as shown by the cost of calcium were the smallest since 1922.

"One of the most interesting recent developments relating to the cold storage industry has been the progress made in the rapid freezing of individual fish fillets. Government tests prove that when fish is thoroughly frozen in less than four hours' time the structure of the fish is not injured, whereas a slower freeze causes the formation of large crystals and a break-down of the fish structure. The difference in quality when the fish is thawed out is very great. Rapid frozen fillets can hardly be distinguished from fresh, while the slow-frozen are a distinctly inferior product. Rapid frozen fillets are not likely to displace fresh fillets near the seaboard but are unquestionably superior to fresh fillets on arrival

(Concluded on page 50)



## Another GRAMM Imperial VAN goes into action—



This is further definite proof that the Grammm Imperial Van Chassis includes the necessary advanced engineering features to meet present day operating conditions. Responsible warehousemen are rapidly realizing that all Grammm Van Chassis are beyond comparison for consistent high road speeds, long life, economy and *cargo safety*.

128 Horse Power 6 Cylinder Engine with Twin Ignition Built in Westinghouse Air Brakes on 4 wheels, Double Reduction Full Floating Rear Axle, Double Drop Diagonal Crossbraced exclusive Grammm Frame and many other important features make possible "Bonded Performance."

Grammm Imperial Van Chassis are sold direct to users and bonded. 25,000 Guaranteed Miles—"Once around the world" is our guarantee—backed by a National Surety Bond.

Grammm Van Chassis are built in two sizes:

### The Imperial Senior

136" W. B. 128 H. P. .... \$5,285.00

### The Imperial Junior

210" W. B. 105 H. P. .... \$3,785.00

Grammm Built DeLuxe Van Bodies, Entirely modern and as advanced in design as the Imperial Chassis, sell at the following prices:

1000 cu. ft. capacity, 18 ft. long, for Senior Chassis. .... \$2,250.00  
850 cu. ft. capacity, 16 ft. long, for Junior Chassis. .... \$1,895.00



## GRAMM MOTORS, Inc.

Builders of Fine Motor Trucks and Coaches

General Sales Office:  
642-650 East Woodruff  
Toledo, Ohio

Factory:  
Delphos, Ohio

## Quincy Market Co. Earned \$109,967 Net in Past Year

(Concluded from page 48)

throughout the Middle West. They are individually wrapped in sanitary parchment wrappers and packed for shipment in ten or fifteen pound cartons.

"In July we installed a rapid-freeze system in our fish freezer. Within a few weeks it was necessary to operate it twenty-four hours a day at times to meet the demands of the fish trade, and to March 31 we froze nearly one million pounds of fillets, mostly haddock. This system produces a thorough freeze in from twenty to forty-five minutes. The fish can then be stored in our warehouse without apparent deterioration until needed.

"The quantity of merchandise in our cold storage warehouses on April 1 was about the same as one and two years ago. No worthwhile predictions can be made as to the outlook for the coming year. It depends principally on the volume of production and the level of prices which no one can foretell.

"The general storage warehouse business continues depressed. A slowing up of general business would undoubtedly effect some improvement but the surplus of warehouse space is so large that competition for what business there is has driven storage rates down to a point where no general storage warehouse can show a fair return on the investment. We are better situated than most, but that department of our business, after proper charge-offs for depreciation, is of little help in our net earnings. However, book values of the investment are being steadily reduced. This department was very profitable during and shortly after the close of the war and any improvement in conditions will find us in a position to reap the full benefit.

"During the past year we have paid \$50,000 on the principal of the mortgage in our Constitution Wharf Property and renewed the mortgage (now \$350,000) for 5 yrs. at 5 per cent. We have purchased for the Treasury \$56,000 of our 5 per cent bonds in addition to \$20,000 acquired by the Sinking Fund. We have also purchased for the Treasury \$60,000 of our 5½ per cent bonds. We have purchased for the Treasury \$700 of the preferred stock of the Boston Terminal Refrigerating Company in addition to \$19,200 acquired by the Sinking Fund. This is a total reduction of liabilities at par of \$205,900. Added to the reduction of \$252,200 last year gives a total reduction of liabilities in two years of \$458,100 without any impairment of our working capital.

"On March 31 our current assets were \$960,761.18, and our current liabilities \$126,561.07, as appears on the consolidated balance sheet. This is a ratio of 7½ to 1. Net current assets were \$834,200.11, compared with \$743,674.47 a year ago, a gain of \$90,525.64, in net current assets during the year."

The report shows that the gross income from storage and handling

totalled \$1,381,724.22; from freezing service, \$375,164.26; from rentals, \$242,913.15, and from lighting, heating, etc., \$60,218.90, or an aggregate of \$2,060,020.53.

The report includes the Boston Terminal Refrigerating Co., a subsidiary.

## Trucking Interests Defeat Obnoxious Bill in Illinois

WAREHOUSING and trucking interests in various mid-western States have been successful in having defeated a bill which, introduced in the Illinois State Legislature, would have required license fees, ranging from \$12 to \$150 per vehicle, on motor trucks entering Illinois from other States. The measure went through the Senate, but on May 29 the roads committee of the House killed it in the face of the opposition by the allied storage and trucking interests.

After the bill had been passed by the Senate, F. E. Erstman, secretary of the Motor Truck Owners' Association of Illinois, appealed to T. A. Horrocks, St. Paul, secretary of the Motor Truck Association Executives of America, and Mr. Horrocks sent out a "call to arms." In the Illinois State capital, Springfield, Mr. Horrocks was joined by Frank E. Kirby, Columbus, manager of the Ohio Association of Commercial Haulers, and Frederick Meyers, a Toledo truck operator who once served in the Ohio Legislature, and these three and Mr. Erstman arranged for the May 29 hearing.

On the afternoon of the hearing the "advance guard" of four was joined by Henry Reimers, Chicago, secretary of the National Furniture Warehousemen's Association, and other representatives of the National; H. C. Kelting, Louisville, secretary of the Motor Truck Club of Kentucky, and M. T. Mellett, the club's president; Joseph H. Hayes, John Shanahan and Walter Ferrell, of the Iowa Truckers' Association; Robert Mathews, secretary, and four members of the Missouri Truckmen's Association; and Tom Snyder, Indianapolis, secretary of the Motor Truck Association of Indiana, Inc.

"The Motor Truck Association Executives of America can and should be given full credit for preventing the enactment of this bill," according to Mr. Snyder, in a letter to *Distribution and Warehousing*. "If enacted it would have started a border line license plate warfare involving at least five or six mid-western States. In this accomplishment the association not only justified its existence, but it has proved the value of coordinated action and the possibility of greater accomplishments in the future."

## Oklahoma Firm Expands

The Rock Island Transfer & Storage Co., Chichasha, Okla., has opened in Oklahoma City a two-story brick and cement warehouse, containing 14,000 square feet of floor space, on the Missouri, Kansas & Texas railroad tracks.

The new plant, according to H. E. Painter, the president, will cater to manufacturers who ship into Oklahoma City for storage and distribution.

## Tampa Warehousemen Oppose City Terminal Competition

SOME of Tampa's public warehouse companies, backed by steamship interests operating through the Florida port, protested recently to Mayor McKay against cargo being accepted for storage at the municipal terminal. They requested that stiff demurrage charges be assessed on freight not moved quickly. They took the position that the city should not compete with them and at the same time expect them to pay taxes.

When the case came up before the city commissioners it was referred to their port and dock committee.

Mayor McKay told the warehousemen he did not feel it was the city's purpose to compete with them and that he was in sympathy with the thought that the municipality should not be in the storage business. He suggested at the close of a long argument that the warehousemen prepare statements for the board of commissioners.

The warehousemen and steamship representatives presented a written recommendation that the city allow seventy-two hours' free time, and that in exceptional cases as long as seven days, exclusive of Sundays and holidays, be permitted before assessing of demurrage. On less than carload shipments they proposed a demurrage rate of 2½ cents a 100 pounds, with a minimum of 7 cents. On shipments of carload lots they suggested a scale of three-fourths of a cent a 100 pounds, with a minimum of \$2.70 for the first day; 1 cent a 100 pounds and a minimum of \$3.60 for the second day, and thereafter a daily charge of \$4.50 a carload.

The petition pointed out the large investment of warehousing and shipping interests, and charged that the city terminal was in competition. Certain types of cargo were solicited and stored in the city terminal while other cargo was refused, thereby showing discrimination, the petition declared. The city terminal, it pointed out, was built originally as a transit shed and should be so continued.

The document was signed by Sidney A. Smith, manager of the Lee Terminal & Warehouse Corp.; J. R. Saunders, president of the Tampa Warehouse Co.; F. L. Judd, vice-president of the Tampa Union Terminal Co., and representatives of the Mallory, Lykes and Bull steamship interests.

Frank C. Caldwell, president of Caldwell's Bonded Warehouse, Inc.; Capt. J. A. Lovelace, the city terminal's superintendent, and others opposed the petition. Captain Lovelace said the terminal had never solicited a dollar's worth of business, but maintained that such action would be within the city's right under the so-called Glenn tariff adopted by the terminal, and which he understood, he said, was being followed in various south Atlantic ports, including Jacksonville and Mobile. He declared that shippers would not consent to any arrangement under which they could have only seventy-two hours of free storage.



# THIS LETTER WAS WRITTEN IN 1928 . . .

*Saying how good  
Budd Duals  
were . . . . .*

MILES ARE SMILES TO US ••• WE MOVE ANYTHING ANYWHERE  
GOODS DISBURSED WHILE IN TRANSIT

—  
CLEAN  
JAMESTOWN  
BUFFALO  
—



—  
BRADFORD  
SALAMANCA  
WELLSVILLE  
—

PHONE FRANKLINVILLE 3

## ROWLAND TRANSPORTATION

ROY S. ROWLAND, Proprietor

FRANKLINVILLE, N. Y.

Jan. 9, 1928.

Budd Wheel Company,  
Detroit, Michigan

Gentlemen:

Att'n. J. H. Barnes

In reply to yours of March 21st asking for statement from us in regard to the kind of service we are getting from the Budd wheels which we operate on.

Can truthfully say that we can average easily one hundred miles more daily than it is possible to do on a different type. Of course the reason for this is the speed which we can get on pneumatic tires against solids.

For an example, a short time ago one of our trucks operated on Budd wheel equipment left Franklinville with a five ton load going to Jamestown, a distance of 74 miles, unloaded, reloaded with a load of furniture, making fifty miles into Bradford, Pa., unloading and then driving twenty miles to Salamanca, loading up another load of furniture and then making a distance of 65 miles to Buffalo, and made the entire trip in about fourteen hours, which would have been impossible to have done on solids.

If there is any other information we can give you on this matter we shall be glad to do so.

Yours very truly,

ROWLAND TRANSPORTATION

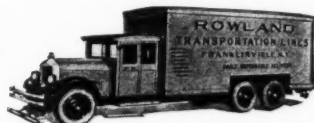
By *R. S. Rowland*

RSR:FW

## ROWLAND TRANSPORTATION, INC.

ESTABLISHED 1914

800 CITIES AND TOWNS  
USE OUR  
MOTOR SERVICE



1,000 MILES OF  
TERRITORY COVERED  
BY US DAILY

BUFFALO TERMINAL: LAKE HANOVER AND LOVD STREETS  
TELEPHONE: SENECA 6580-6584

### TERMINALS.

BUFFALO  
LOVD STREET  
PHONE SENECA 9393

FRANKLINVILLE  
PINE STREET  
PHONE 38

JAMESTOWN  
MONROE STREET  
PHONE 2232-W

CLEAN  
E. STATE STREET  
PHONE 9308

ROCHESTER  
DENNING STREET  
PHONE STONE 637

DAILY  
DEPENDABLE  
DELIVERY

OVER  
NIGHT  
SERVICE

Budd Wheel Co.  
12141 Charlevoix Ave.  
Detroit, Michigan

Gentlemen:

Replying to your letter of January 16, wish to advise that since our comments were made to you we have on one or two occasions tried out various other makes of wheels and can truthfully say we have had a great deal of trouble and have regretted same.

All our equipment from now on is ordered through the Budd Equipment.

Yours very truly,

ROWLAND TRANSPORTATION, INC.

BY *R. S. Rowland*

RSR:IAN

"SIXTY TRUCKS AND TRAILERS ASSURE YOU SERVICE"

*. . . . . and*  
**THIS LETTER  
WAS WRITTEN  
A YEAR  
LATER**

*Saying the  
same thing  
.. only louder!*

## Construction, Removals, Purchases and Changes

### California

**CHINO**—Pomona Valley Ice Co. is planning a \$20,000 cold storage warehouse on Seventh Street.

**Los Angeles**—Central Manufacturing District, Inc., has authorized construction of a \$125,000 6-story warehouse to contain 60,000 square feet of floor space to be leased to outside interests.

**Santa Clara**—Security Warehouse & Cold Storage Co. (San Jose) has approved plans for construction of a \$60,000 1-story warehouse, 80 by 185 feet.

### Georgia

**Savannah**—Georgia Ice Co. has approved plans for a \$35,000 cold storage warehouse and ice plant.

**Savannah**—Southeastern Compress & Warehouse Co. is reported to have completed negotiations for acquisition of the properties of the Savannah Warehouse & Compress Co.

### Illinois

**Chicago**—Lipschultz Express & Transfer Co. has had plans drawn for a \$30,000 1-story building to be used as a motor truck garage and service station, at 1018-1020 So. Racine Street.

**Elgin**—Elgin Storage & Transfer Co. is erecting a warehouse on Brook Street.

### Iowa

**Cedar Rapids**—Lynch Transfer & Storage Co. is erecting a \$40,000 3-story and basement warehouse, 60 by 70 feet.

### Kansas

**Topeka**—Mutual Ice & Cold Storage Co. is having plans completed for a \$50,000 2-story cold storage warehouse at First and Quincy Streets.

### Michigan

**Lansing**—Heath Delivery Co. is planning a \$45,000 1-story warehouse on Hazel Street.

### Minnesota

**Minneapolis**—Northland Transportation Co. plans to spend \$110,000 building a 1-story motor truck garage and service structure, 150 by 160 feet, and a 1-story office, 36 by 100 feet, at 515 Sixth Avenue, No.

### New Jersey

**Perth Amboy**—White Ice & Supply Co. has approved plans for a \$55,000 1-story cold storage warehouse and ice plant, 95 by 115 feet.

### New Mexico

**Lovington**—Glenn Sample and associates have plans for a \$25,000 1-story cold storage warehouse and ice plant.

### New York

**Brooklyn**—Prudent Ice & Coke Co. has completed plans for a \$120,000 cold storage warehouse and ice plant, one story high, at 1329-1355 Willoughby Avenue.

**Buffalo**—Producers Warehouse & Elevator Co. has plans for a \$300,000 6-story warehouse and grain elevator, 90 by 135 feet.

**Jamaica** — Queensborough Storage

Warehouse is the newly-incorporated name of the Queensborough Storage Warehouse of Jamaica.

**New York City**—Inland Warehouse Corp. has filed papers of dissolution under State law.

**New York City**—Santini Brothers, Inc., has broken ground for a \$200,000 10-story addition on McCombs Road.

**New York City**—V. Santini, Inc., has purchased land, 50 by 100 feet, on Jerome Avenue near E. 183d Street as the site for a 7-story warehouse.

**New York City**—Universal Warehouse Co. has renewed for a term of years its lease on the 7-story warehouse at 73-75 Beach Street extending to 386-388 Washington Street.

### North Carolina

**Asheville**—Asheville Transfer & Storage Co. has arranged for construction of a \$50,000 3-story warehouse, 50 by 100 feet, at 192 Coxe Avenue. The company will occupy it under a long term lease.

### Ohio

**Cleveland**—New York Central Railroad Co. is planning, in conjunction with the Cleveland, Cincinnati, Chicago & St. Louis Railway, to build a \$1,000,000 1-story and 2-story warehouse for both dry and cold storage service.

**Youngstown**—Mahoning Ice & Fuel Co. is completing plans for a \$35,000 1-story warehouse in the rear of its plant at 27 West Indianola Avenue.

### Oklahoma

**Tulsa**—Joe Hodges Fireproof Warehouses are completing an addition which will give the company a total of 280,500 square feet of floor space. The completed project will represent an investment of \$450,000.

**Woodward**—Owen F. Land and associates have applied for permission to operate a motor freight line to Landy, Waynoka and vicinity.

### Oregon

**Portland**—Colonial Warehouse & Transfer Co. has taken over under leases the former Clay S. Morse warehouse at 12th and Glisan Streets, and half of the Columbia Basin Wool Association building.

**Portland**—Portland Terminal Investment Co. has filed plans for a \$20,000 1-story warehouse at the foot of Skidmore Street.

**Portland**—Portland Truck Terminal, Inc., has approved plans for expenditure of \$100,000 extending and improving its warehouse and terminal building, at 401-407 Irving Street, to provide about 30,000 square feet for loading and unloading service.

### Pennsylvania

**Philadelphia**—Frederic E. Aaron, president of the Interstate Storage Warehouse Co., has conveyed to the Atlas Storage Warehouse Co. the 2-story warehouse, assessed at \$150,000, at 3935 Germantown Avenue.

### Texas

**El Paso**—Abdou Produce & Cold Storage Co. has completed a \$250,000 cold

(Concluded on page 54)

## New Incorporations

### Within the Industry

#### California

**LOMITA**—Lomita Transfer. Organized by C. B. Havens and J. E. Harris, with office at 1111 Narbonne Avenue.

**Los Angeles**—East Side Transit Co. Capital, \$75,000. Incorporators, V. H. Shuler, C. B. Holbrook and F. J. Rice.

**Los Angeles**—Imperial Valley-Los Angeles Express, Inc. Capital, \$100,000. Incorporators, F. M. Hodge, Lewis B. Randall and Walter J. Little.

#### Delaware

**Wilmington**—Pacific Freight Lines, Inc. To operate on the Pacific Coast. Capital, 1000 shares of no par value stock.

#### Illinois

**Chicago**—Acme Auto Transfer Co. Transfer and express. Capital, \$5,000. Incorporators, M. S. Moline, Roy S. Moline and William F. Brattstrom.

**Chicago**—Automatic Storage Engineering Corporation. Storage and transfer. Capital, \$100,000. Incorporators, Bert B. Balkema and Malcolm S. Clark.

**Chicago**—Lincoln Warehouse Corporation. Capital, 30,000 shares of no par value stock. Incorporators, A. G. Johnson, Elmer Engquist and A. B. Graven.

#### Kentucky

**Somerset**—Kenwick Transfer Co. Capital, \$5,000. Incorporators, John W. Bobbitt, Walter Bobbitt and Ernest Gilliland.

#### Massachusetts

**Boston**—Express & Motor Transportation Co. Organized with William J. Cargill at the head.

**Boston**—Pequot Corporation. To conduct a warehouse business. Capital, 5000 shares of no par value stock. Incorporators, William V. Ellis of Medford, Carl E. Pickhardt of Newton and Walter E. Holland of Medford.

**Lexington**—Smith's Bell Farm Storage Co., Inc. Cold storage warehouse and transfer. Capital, 500 shares of no par value stock. Arthur L. Smith is president and G. M. Smith is treasurer.

#### Michigan

**Detroit**—Big 4 Cartage Co., Inc. Capital, \$50,000. Incorporators, Edward G. Harris and George A. Harris.

**Detroit**—H. E. Bird Cartage Co., Inc. Capital, \$50,000. Incorporators, Henry E. Bird, George Miller and Michael Miller.

**Detroit**—Osborne Motor Forwarders, Inc. Capital, \$25,000. Incorporators, Less S. Osborne, Kenneth R. Barber and Cloyd M. Wharton.

**Port Huron**—Fur Storage, Inc. Cold storage warehouse. Capital, \$25,000. Incorporators, Samuel L. Boyce and John A. Fead.

#### New Jersey

**Jersey City**—Community Ice & Cold Storage Co. Cold storage warehouse. Capital, 6000 shares of no par value

(Concluded on page 54)

## Charles H. Moores Co. INC.

Successors to Moores & Dunford, Inc.

*Architects and Engineers*

*Warehouse Specialists for 18 Years*

*in*

Reports	Terminals
Operation	Warehouses
Design	Refrigerating and Ice Plants
Supervision	Industrial Plants
Maintenance	Waterfront Improvements

110 East 42nd Street  
New York, N. Y.



### ADD STERLINGS TO YOUR PAYROLL!

The new Sterling Sixes transport goods quickly, safely and economically, thereby meeting the demands of progressive warehousemen. Add Sterlings to your fleet—the savings effected will materially increase your profits. Write for descriptive literature.

**Sterling**  
MOTOR TRUCKS

Sterling Motor Truck Company  
44th Ave. & Rogers St.

Milwaukee

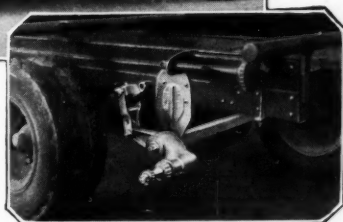
Wisconsin

## Double the life of your trucks and tires!



### Eastern Distributors:

New York: Interboro Hoist and Body Corp.  
Borden Avenue at Van Dam, Long Island City  
Boston: Perin-Walsh Co.,  
1540 Columbus Ave.  
Baltimore: Maryland Truck Equipment  
Corp., Centre and Holliday Streets  
Philadelphia: Kay Steel Wheel Company  
620 South Delaware Avenue  
Pittsburgh: The Schnabel Co., So. 10th St.  
Buffalo: Truck Equipment Co., Inc.  
1791 Fillmore Avenue  
Cleveland: Truck Engineering Corporation  
1801 E. 37th Street  
Chicago: Schukraft & Company  
1201 Washington Boulevard  
St. Louis: Herman Body Co.  
4420 Clayton Avenue



Tire mileage doubled after installing this  
UTILITY Light Duty 6-Wheel Unit!

### UTILITY Light Duty 6-Wheel Units reduce maintenance cost!

Large van bodies, even when loaded with bulky and comparatively light freight, frequently represent an excessive load on the rear axle...though the total may be within the truck capacity.

Rapid wear on tires and drive assembly, straining of truck frame, and breakage of driveways are the costly result.

UTILITY Light Duty 6-Wheel Units, installed at small cost, correct all these troubles by taking a third of the rear end load, relieving tires and drive assembly of excessive wear, and giving additional support where long overhanging bodies are used. Send coupon below for additional facts.

UTILITY TRAILER MANUFACTURING COMPANY  
Box 206 Arcade Station, Los Angeles

## UTILITY 6-Wheel Units

(Distribution & Warehousing, July 1929)



Name \_\_\_\_\_ Firm \_\_\_\_\_  
Address \_\_\_\_\_ Make of Truck \_\_\_\_\_

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING



## New Incorporations Within the Industry

(Concluded from page 52)

stock. Incorporators, James L. Rourke, Frank Geis and James E. McNally.

**Newark**—Warehousing Corporation. Storage warehouse and moving. Capital, \$50,000. Incorporators, Harold Laifer and Irving A. Hirschfield.

**Paterson**—Santillo Interstate Trucking Corporation. Capital, \$30,000. Incorporators, S. and N. Santillo.

**Ridgefield Park**—Bruan Motor Haulage, Inc. Capital, \$125,000.

### New York

**Buffalo**—Bassett Warehousing & Elevator Corporation. Storage warehousing and grain elevator. Capital, \$100,000.

**Ithaca**—Moscow Cooperative, Inc. Storage warehouse and transfer. Capital, \$15,000. Principal incorporator, S. Peer.

**Jamestown**—Consolidated Van & Storage Co. Storage warehouse and van service. Capital, \$5,000 and 2000 shares of no par value stock.

**New York City**—Bridge Warehouse Co. Storage warehouse and moving. Capital, \$20,000. Principal incorporator, Robert Siegel.

**New York City**—Santini Moving & Express Co. Capital, 200 shares of no par value stock. Principal incorporator, C. A. Loreto.

**New York City**—Warehouse of Furniture Manufacturers of America. Bonded storage warehouse. Capital, \$20,000. Henry Meyer, Brooklyn, representative.

### North Carolina

**Raleigh**—Raleigh Transfer Co. Conduct a storage and transfer business. Authorized capital stock, \$50,000; subscribed stock, three shares of common by D. D. Kelly, Mrs. R. S. Kelly and C. Kelly.

**Williamston**—Martin County Warehouse Co. Authorized capital, \$25,000; subscribed stock, \$12,250 by J. G. Staton, A. R. Dunning, R. L. Coburn and others.

### Ohio

**Cincinnati**—Ohio River Express, Inc. Freight transfer and express. Capital, \$50,000. Incorporators, Edward Strasser, Ralph A. Tooker and Robert C. Naegel.

**Cleveland**—H. S. Bernstein Motor Trucking Co. Transfer business. Capital, \$5,000. Incorporators, L. A. Kugawski, Harry L. Bernstein and W. I. Kreiger.

**Columbus**—Air Express, Inc. Capital, \$150,000. Incorporators, H. J. McCoy, S. C. Craig and Allen Pretzmann.

**Delaware**—Red Ball Transit Co. of Delaware, Inc. Capital not stated. Incorporators, A. J. Arehart and Christopher Arehart.

**Kinsman**—Prior Bros., Inc. General transfer business. Capital, 250 shares of no par value stock. Incorporators, F. D. Prior, O. L. Prior and S. J. Prior.

### Pennsylvania

**Philadelphia**—North American Warehousing Co. Storage warehousing and van service. Capital not stated. State

charter granted. Representative, J. Maurice Gray.

### Rhode Island

**Newport**—Short Line Motor Freight, Inc. Capital, 620 shares of no par value stock. Incorporators, Clark Burdick, Edward J. Corcoran and William A. Peckham.

### Utah

**Salt Lake City**—Intermountain Wool Warehouse & Scouring Co., to operate under the Federal Warehouse Act. Capital, \$100,000. Roy C. Boley is president, William Schneider managing director and Byron Kershaw secretary.

### West Virginia

**Logan**—Miller Storage Co. Capital, \$10,000. Incorporators, H. S. Walker, Charles E. Breneman, Annie Walker, Zola M. Breneman and George W. Breneman.

### Wisconsin

**Marshfield**—Central Cheese & Cold Storage Co. Cold storage warehousing. Capital, \$40,000. Incorporators, E. B. Miller, J. C. Black and S. J. Miller.

**Milwaukee**—Mittelstaedt Cartage & Transfer Co. Transfer and trucking. Capital not stated. Incorporators, E. M. Mittelstaedt and W. C. Mittelstaedt.

### "Storingvan" and "Storinvan" Registered by Security of Washington

Announcement is made by C. P. Ravenburg, secretary of the Security Storage Co., Washington, D. C., that the Security has trademarked the words "Storingvan" and "Storinvan" for protection of the two designations against infringement.

"While both have been protected by registration at the Patent Office and are in use on our steel vans," according to Mr. Ravenburg, "the device which will be more generally used on our steel van bodies used for storage and shipping purposes is 'Security Storingvan' in an oval inclosing the initials 'U. S. A.'"

"These lift vans will not bear this company's name and will have no other lettering. They are available to any of our warehouse correspondents for loading shipments, either domestic or foreign, on a hire basis or at inclusive door-to-door rate as preferred."

### Wald Firm Buys Another Plant

The Wald Transfer & Storage Co., Inc., Houston, has purchased a four-story warehouse building at Like Oak Street and Walker Avenue. It has a frontage of 150 feet and a depth of 100 feet and is served with trackage. The first three floors will be devoted to merchandise storage and the fourth for household goods with separate locked compartments.

### Hoffman Removes to New York

James M. Hoffman, former general manager and operating executive of the Boston Tidewater Terminal, Inc., Boston, has been appointed marine superintendent of the Gypsum Packet Co., Ltd., New Brighton, Staten Island, New York City.

## Construction, Removals, Purchases and Changes

(Concluded from page 52)

storage warehouse, with capacity of 350 carloads, at Ochoa and Overland Streets.

**Texas City**—Missouri, Kansas & Texas Railway Co., operating the Texas City Terminal Co. in conjunction with the Missouri-Pacific Railway Co. and other lines, plans to spend \$250,000 on extension of terminal properties, to include warehouses and a grain elevator.

### Utah

**Salt Lake City**—Redman Fireproof Storage Co. has begun construction of a \$15,000 1-story addition.

### Virginia

**Harrisonburg**—Mutual Cold Storage Co. has approved plans for construction of a \$100,000 6-story cold storage warehouse at Timberville Street and Broadway.

**Richmond**—Brooks Transfer Co. has awarded a general contract for the building of a \$45,000 warehouse on South Linden Street.

### West Virginia

**Morgantown**—Terminal Warehouse Co. has decreased its capital stock to \$5,000 from \$25,000.

### Wyoming

**Gillette**—Chicago, Burlington & Quincy Railway has preliminary plans for a \$30,000 warehouse addition.

### Crooks Firm Takes Over a C. B. & Q. Building

Announcement is made by V. M. Kolly, manager of the Crooks Terminal Warehouses, Chicago, that another unit has been added to the company's operations through acquiring, under a long term lease from the Chicago, Burlington & Quincy Railroad Co., of 100,000 square feet of space in the building at 429-449 West 14th Place. It will be known as the firm's C. & D. Buildings.

The structure is of concrete fireproof construction, equipped with two fast elevators, and has a floor load capacity of 350 pounds to the square foot. It is served by a C. B. & Q. switchtrack under cover and has a spacious truck platform along the 14th Place side, to facilitate rapid handling of freight in and out.

The building was recently remodeled to make it practicable and convenient for merchandise storage and reshipping and for rental of lofts with offices.

With the acquisition of this space the Crooks company operates 550,000 square feet in Chicago and more than 200,000 square feet in Kansas City.

If Oskamulpeepee, in whatever State, has a warehouse that is reliable, that warehouse is listed in the annual Warehouse Directory—consult the book for dependable information.